Australian Government
Commonwealth Superannuation Corporation

Annual Report

2025–26

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ISSN: 2204–3837
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Superannuation schemes

CSS	ABN:	19 415 776 361
	RSE:	R1004649
	USI:	19415776361001
PSS	ABN:	74 172 177 893
	RSE:	R1004595
	USI:	74172177893001
MilitarySuper	ABN:	50 925 523 120
	RSE:	
	USI:	50925523120001
PSSap	ABN:	65 127 917 725
	RSE:	R1004601
	USI:	65127917725001
ADF Super	ABN:	90 302 247 344
	RSE:	R1077063
	USI:	90302247344001
ADF Cover	ABN:	64 250 674 722

DFRB	
DFRDB	ABN: 39 798 362 763 USI: 39798362763001
DFSPB	
CSCri	ABN: 65 127 917 725 RSE: R1004601 USI: 65127917725002
1922 Scheme	
PNG Scheme	

Note: All statistics are derived solely from records available to CSC and Apex Superannuation Administration Services Pty Ltd as of the time these statistics were compiled. Where statistics for earlier financial years are quoted, they may vary from those previously published due to the application of retrospective adjustments now reflected in this report. For similar reasons, statistical information in this report may also vary from that presented by other agencies.

Letter of Transmittal

Senator the Hon Katy Gallagher, Minister for Finance

Parliament House Canberra ACT 2600

Dear Minister,

I am pleased to provide the Commonwealth Superannuation Corporation's (CSC) Annual Report for the year ended 30 June 2026.

CSC is a Commonwealth entity established under the *Governance of Australian Government Superannuation Schemes Act 2011* (GAGSS Act). During the reporting period CSC operated under the requirements of the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act).

The CSC Board is responsible for preparing and approving the Annual Report. This report was approved on 27 August 2026. It meets the reporting requirements of the GAGSS Act, the PGPA Act and the *Public Governance, Performance and Accountability Rule 2014*.

Under section 30(4) of the GAGSS Act you are required to table this report in both Houses of Parliament within 15 sitting days of receiving it.

Yours sincerely,



Chair

Janet Torney

9 October 2026

Reader's Guide

Our activities at CSC are guided by our vision, mission statement and strategic objectives while complying with legislative and government requirements.

This annual report describes our activities for the 2025–26 financial year and satisfies the requirements listed in Part 3, Division 2 of the *Governance of Australian Government Superannuation Schemes Act 2011*, section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and in the *Public Governance, Performance and Accountability Rule 2014*.

The report is organised as described below.

Introduction
The introduction describes CSC, our superannuation schemes and our customers.

Our Performance
This section includes our Chair's review of the year's activities and our Annual Performance Statements, as required under the PGPA Act.

Our Board of Directors
This section introduces CSC's Board of Directors for 2025–26. It outlines their responsibilities, remuneration and director indemnity. It also describes how our Board delegates its authority and how its performance is reviewed.

Our Governance
This section describes our Board's governance framework and CSC's regulatory requirements. It explains our approach to financial and risk management, compliance, fraud control, customer outcomes and internal auditing.

Our Investments
This section details how investment performance affects our customers' superannuation benefits. It also describes CSC's investment approach, strategy, governance, environmental and social practices, and investment options. Our investment performance to 30 June 2026 is shown.

Our Superannuation Services
This section outlines the superannuation services we provide to customers and employers, and details how satisfied our customers and employers are with those services.

Our Superannuation Schemes
This section outlines how we managed each superannuation scheme on behalf of our customers in 2025–26 and accounts for our actions against CSC's governing legislation.

Financial Statements
This section contains the audited financial statements for CSC for 2025–26.

Reporting Requirements
This section lists CSC's specific reporting requirements.

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The index is a quick way to find specific details in the report.

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Section 1

Introduction

Introduction

About CSC

CSC is a corporate Commonwealth entity established on 1 July 2011 in accordance with the *Governance of Australian Government Superannuation Schemes Act 2011*. We manage 11 government superannuation schemes and provide superannuation services to current and former eligible Australian Government employees and members of the Australian Defence Force (ADF).

CSC's primary function is to administer the schemes and to manage and invest the funds in the best financial interests of all its customers in accordance with the provisions of the various legislation and Trust Deeds that govern the schemes.

Our vision

Our vision is to provide simple and trusted super for another 100 years.

This means we will:

- strive to take the complexity out of superannuation
- guide our customers towards a comfortable retirement
- always operate in the best financial interests of our customers.

Our values

- Customer driven – we care about our customers and seek to understand their needs
- United – we work as one positively connected team
- Accountable – we take responsibility and act with integrity
- Future focused – we embrace change and challenge ourselves to continuously improve

Our legislative objectives and functions

Our objectives and functions, as set out under CSC's governing legislation, are to:

- administer the schemes and manage and invest the funds
- receive payments from employers and customers into the funds in accordance with scheme legislation or Trust Deed
- pay superannuation benefits to, or in respect of, customers
- provide information about scheme benefits or potential benefits
- provide advice to the Minister for Finance on proposed changes to the scheme legislation or Trust Deeds.

Our performance outcome

We exist to provide retirement and insurance benefits for scheme customers and beneficiaries, including past, present and future employees of the Australian Government and other eligible employers, and members of the ADF, through investment and administration of their superannuation funds and schemes.

This is CSC's performance outcome. Having a performance outcome is a requirement under the *Public Governance, Performance and Accountability Act 2013*. CSC's performance outcome is published in CSC's 2025–26 Corporate Plan and in the 2025–26 Portfolio Budget Statements.

Regulated superannuation schemes

Regulated superannuation schemes must comply with the *Superannuation Industry (Supervision) Act 1993* (the SIS Act) and other prescribed regulatory provisions to be entitled to concessional tax treatment. We are the trustee of five regulated public sector and military schemes:

- Commonwealth Superannuation Scheme (CSS) established on 1 July 1976 by the *Superannuation Act 1976*.
- Public Sector Superannuation Scheme (PSS) established on 1 July 1990 by the *Superannuation Act 1990*.
- Military Superannuation and Benefits Scheme (MilitarySuper) established on 1 October 1991 by the *Military Superannuation and Benefits Act 1991*.
- Public Sector Superannuation accumulation plan (PSSap) established on 1 July 2005 by the *Superannuation Act 2005*; under its Trust Deed the PSSap also offers an account-based pension product called Commonwealth Superannuation Corporation retirement income (CSCri).
- Australian Defence Force Superannuation Scheme (ADF Super) established on 1 July 2016 by the *Australian Defence Force Superannuation Act 2015*.

Exempt public sector schemes

Exempt public sector schemes are not regulated under the SIS Act. We administer six exempt public sector and military schemes:

- Scheme established under the *Superannuation Act 1922*.
- Defence Forces Retirement Benefits Scheme (DFRB) established by the *Defence Forces Retirement Benefits Act 1948*.
- Defence Force Retirement and Death Benefits Scheme (DFRDB) established by the *Defence Force Retirement and Death Benefits Act 1973*.
- Papua New Guinea (PNG) Scheme constituted under *the Superannuation (Papua New Guinea) Ordinance 1951* and administered in accordance with section 38 of the *Papua New Guinea (Staffing Assistance) Act 1973*.

- *Defence Force (Superannuation) (Productivity Benefit) Determination (DFSPB) 1988*, issued under the *Defence Act 1903*, which is a productivity benefit paid by the Department of Defence.
- Australian Defence Force Cover Scheme (ADF Cover) established on 1 July 2016 by the *Australian Defence Force Cover Act 2015*.

Our customers

Our customers generally fall into three categories:

- Those eligible to make superannuation contributions who are either employed by a participating scheme employer (usually an Australian Government entity or the ADF), or customers who were formerly employed by a participating scheme employer and who are eligible to continue to contribute to PSSap or ADF Super.
- Those with Preserved or Deferred Benefits who are no longer able to contribute to their scheme because they no longer work for a participating employer and are not eligible to continue contributing. We continue to maintain accounts for these customers and they can generally start making contributions again if they join a participating scheme employer.
- Those receiving a pension who have retired. Some ex-military customers receiving a pension may start making contributions again after 12 continuous months of eligible employment.

CSC customers also include former spouses following a family law split, customers who have multiple superannuation accounts with CSC, and eligible dependents of our customers, e.g. children of deceased customers and spouses.

Section 2

Our Performance

Our Performance

Report from our Chair

Introduction

The 2025–26 financial year saw continued progress for CSC, marked by high-quality service delivery, strong investment performance, important advances in our transformation journey and a review of organisational culture.

Our focus remained firmly on helping customers build confidence in their financial future and improve their retirement outcomes. Against a backdrop of significant organisational change and an evolving superannuation landscape, CSC continued to invest in the services, tools and support that matter most to our customers.

CSC's customers include current and former Australian Public Service employees, members of the Australian Defence Force and retirees. Supporting customers through every stage of their superannuation and retirement journey remains at the heart of everything we do.

Customer focus and resilience

There were a number of significant customer milestones achieved over the last year:

- CSC has been on an administration transformation journey for the last three years. These changes represent an important investment in CSC's long-term administration capability and enhanced overall customer experience. Following the successful implementation of major technology and platform changes for our PSSap and ADF Super customers in February 2026, attention shifted to strengthening service delivery and realising the benefits of the new platform. The next stage of the transition, which will move all pension customers to the new platform, will occur in the second half of FY 2026–27.
- CSC continued to enhance the digital experience for customers through improvements to communications, online tools and resources, as well as ongoing enhancements to CSC Navigator. These initiatives are making it easier for customers to access information and manage their superannuation online. Planning is underway for future enhancements to CSC’s digital services, aimed at providing customers with more convenient ways to engage with CSC in the future.
- CSC introduced the Made for Me campaign, helping more customers understand the value of their superannuation, connect with the support available to them and engage earlier with planning for their financial future. The campaign reflects CSC’s focus on delivering relevant and meaningful experiences for customers at every life stage.

I know that some customers experienced delays in transaction processing and service timeframes during this administration system transition. I would like to thank all our customers for their patience and understanding. I also note the dedication, professionalism and resilience of CSC employees and our partners who worked tirelessly to support customers while these changes were underway.

Supporting wellbeing

CSC recognises that financial wellbeing is closely connected to physical and mental wellbeing.

During the year, we expanded support available to eligible customers through our partnership with AIA, including services such as My Psychologist and AIA Vitality. CSC also broadened its focus on supporting customers through important health and wellbeing challenges, with new resources and programs addressing areas such as women's health and chronic pain management.

These initiatives reflect our commitment to supporting customers beyond their superannuation balance and helping them achieve better outcomes throughout their working lives and into retirement.

Expanded retirement support

Helping customers prepare for and navigate retirement remains one of CSC's most important priorities.

During the year, CSC progressed the next phase of its Retirement Income Strategy, introducing new and enhanced tools to support more informed decision making. This included an upgraded Retirement Modeller, simple and enhanced retirement profiles and development of a new Retirement Income Target tool, helping customers better understand how their superannuation may support their desired lifestyle in retirement.

We also continued to expand retirement education and guidance through workplace seminars, webinars, digital resources and access to CSC superannuation and retirement specialists. These initiatives are helping more customers access timely information and support as they prepare for retirement, reflecting CSC's commitment to building confidence and capability at every stage of the retirement journey.

Importantly, progress was made on legislative reforms that will, for the first time, enable eligible former ADF members to access CSC retirement income stream products. This represents a significant step forward in supporting former ADF members throughout retirement and reflects CSC's commitment to delivering better retirement outcomes for all customers.

Investment performance

CSC's investment strategy remains focused on delivering strong long-term outcomes while carefully managing risk. This disciplined approach continues to support customers through changing market conditions and periods of economic uncertainty.

During 2025–26 CSC's investment capability received further industry recognition. Most notably, CSC was awarded the 2026 SuperRatings Smooth Ride Award,[1] recognising our ability to deliver strong returns while effectively managing investment risk.

CSC's investment options also continued to achieve leading rankings for risk-adjusted performance across their respective categories. All CSC investment options were in the first quartile of the SuperRatings peer universes on a risk-adjusted basis for 1, 3, 5, 7 and 10 years to 30 June 2026. Aggressive and Income Focused ranked first in the 7 and 10 years.[2]

These pleasing results were achieved for our customers by our nimble and disciplined investment strategy. We also continue to measurably outperform our regulated reference portfolios across all options, which the regulator monitors to assess the quality of superannuation fund investment capability.[3]

By diversifying investments across high-quality assets, including innovative businesses that are typically not accessible either easily or cost-effectively to smaller investors, we've been able to deliver our return objectives for customers at different life stages:

- Our PSSap Aggressive option, designed for people earlier in their working life, generated a strong 11.0% return for the 2025–26 financial year.
- Our PSSap Balanced MySuper investment option, designed to balance between growing our customers' retirement savings and preserving capital, delivered a healthy 10.0% for the 2025–26 financial year.
- Our PSSap Income Focused option, designed for those with a lower appetite for capital-value variation, delivered 6.5% for the 2025–26 financial year.

Note: Figures are rounded to one decimal place.

Details about contributions to our investment performance can be found in **Section 5: Our Investments**. Performance is presented net of fees and taxes, and investment performance is subject to market volatility. Past performance is not an indicator of future performance.

CSC's return objective is to maximise long-term, real (that is, above inflation) returns for customers, with a target real return of 3.5% per annum above inflation (after fees and taxes) over 10 years for our Default, Balanced and MySuper Balanced options, while keeping risk to an acceptable level (defined as a probability of loss in no more than five

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1 Ratings issued by SuperRatings Pty Ltd a Corporate Authorised Representative (CAR No.1309956) of Lonsec Research Pty Ltd AFSL No. 421445 are general advice only. Rating is not a recommendation to purchase, sell or hold any product and subject to change without notice. SuperRatings may receive a fee for the use of its ratings and awards. Visit SuperRatings.com.au for ratings information.

2 SuperRatings Risk-adjusted Returns Survey, June 2026. Rankings are based on relevant SuperRatings peer universes (SR Growth Index, SR Balanced Index, SR Capital Stable Index) to 30 June 2026. Past performance is not a reliable indicator of future performance.

3 The MySuper Balanced, Income Focused and Aggressive options have all passed the Australian Prudential Regulation Authority's annual performance test for 10 years to 30 June 2026. Investment performance is subject to market volatilities and past performance is not an indicator of future performance.

years out of 20). The target returns shown in the table below reflect this objective across each investment option and time period.

This investment objective is designed to provide adequacy in retirement for our average customer. 'Adequacy' is defined by the Australian Superannuation Fund Association (ASFA) as a 'comfortable standard' which accounts for post-retirement cost-of-living adjustments.[4]

Table 1. Investment returns to 30 June 2026 for CSC's Default, Balanced and MySuper Balanced scheme options

	AUM $billion	1 year %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	15 years % pa
Australian inflation[5]		4.0	3.3	4.4	3.6	3.1	2.7
Investment option							
CSS Default	0.70	10.3	10.1	7.1	7.5	7.9	8.0
PSS Default	26.93	10.1	9.9	6.9	7.3	7.8	7.9
MilitarySuper Balanced	13.42	10.1	10.0	7.0	7.3	7.8	7.6
PSSap MySuper Balanced	25.58	10.0	9.9	6.9	7.3	7.7	7.9
ADF MySuper Balanced	2.78	9.9	9.8	6.8	7.1	7.6	–
Target return		**7.5**	**6.8**	**7.9**	**7.1**	**6.6**	**6.2**

Note: *Performance is presented net of fees and taxes. Figures are rounded to one decimal place.*

Cyber resilience

Protecting customer information and maintaining secure services remains a critical priority for CSC. As cyber threats continue to evolve, CSC has maintained a strong focus on cyber resilience through robust governance, ongoing investment in security capabilities and continuous monitoring of emerging risks.

We continue to strengthen our ability to detect, respond to and recover from cyber threats while providing customers with secure and reliable digital services.

Governance and leadership

As Chair, I remain focused on ensuring CSC delivers strong customer outcomes through sound governance, strategic discipline and effective risk management.

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4 Source: ASFA: The comfortable retirement standard allows retirees to maintain a good standard of living in their post-work years. Retirement Standard – ASFA

5 Sourced from Australian Bureau of Statistics (July 2026), Table 17. All groups CPI; Australia.

The Board and management work collaboratively together as the Leadership Team to guide CSC through a changing environment while maintaining a clear focus on the long-term interests of our customers. We are investing in enhancing our governance oversight, risk disciplines and our overall culture.

I am pleased to report that Andrea Hall's tenure as a Director of CSC was extended for a further three years by the Minister.

Thank you

On behalf of the Board, I would like to extend our sincere thanks to Melissa Donnelly for her significant contribution to CSC over the past six years.

Most importantly, I thank our customers for the trust they place in CSC. It is a privilege to support those who serve and have served Australia, and we remain committed to helping them build financial confidence and achieve better retirement outcomes.

Thank you to CSC employees for your professionalism, resilience and commitment throughout a year of significant achievement and change, and to my fellow Board members for their expertise, dedication and stewardship.



Janet Torney
Chair
9 October 2026

CSC's Annual Performance Statements

Statement from CSC's Board

We, the CSC Board, as the accountable authority of CSC, present the 2025–26 Annual Performance Statements of CSC, as required under section 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In our opinion, these Annual Performance Statements are based on properly maintained records, accurately reflect the performance of CSC and comply with section 39(2) of the PGPA Act.

CSC purpose and vision

CSC's purpose is to 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 (ADF)) and their families. CSC's vision is to provide simple and trusted superannuation for another 100 years.

CSC performance outcome

CSC's performance outcome is to provide retirement and insurance benefits for scheme customers and beneficiaries, including past, present and future employees of the Australian Government and other eligible employers and members of the ADF, through investment and administration of their superannuation funds and schemes.

CSC's performance outcome is stated in CSC's 2025–26 Corporate Plan and in the 2025–26 Portfolio Budget Statements.

Managing and investing our funds

Table 2. CSC's investment performance: criteria and results

Performance criteria	Results
CSC's investment performance for its default accumulation options over a rolling three-year period. (Source: CSC's 2025–26 Portfolio Budget Statements).	**Achieved:** CSC's default accumulation option has an annual real return target (target above inflation) of 3.5% p.a. over rolling three-year periods. Our PSSap MySuper Balanced option outperformed this target by 3.1 % for the three years to 30 June 2026.
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 option. (Source: CSC's 2025–26 Portfolio Budget Statements).	**Achieved:** CSC's portfolio risk for its default accumulation option has been managed such that there have been no more than five years of negative returns over the 20-year period to 30 June 2026.

Our performance helps customers reach a comfortable retirement

The investment objectives of CSC's options are designed to increase the probability that the average CSC accumulation customer in retirement will reach the ASFA 'comfortable retirement standard' of income for Australian retirees. We track five customer cohorts, by gender, to ensure our investment objectives continue to appropriately support this ambition for our customers.

Today our average defined contribution customers are expected to retire with more than 35% above the ASFA Comfortable Retirement Standard lump sum estimate.[6]

Furthermore, the majority of our full-time working customers are on track to achieve that standard as well.[7] This ratio will change over time and differs between customers depending on their personal circumstances. However, by ensuring that all customers can track – via our website – their individual savings against the ASFA standard and their cohort of peers, we can assist every individual to choose their level of investment risk, the contributions they make and their retirement age.

[6] Based on projected retirement lump sums for PSSap and ADF Super customers who have made an active contribution in the past 90 days. Figures are in today's dollars and assume a wage inflation of 3.7% p.a. and CPI of 2.5% p.a. Comparisons are based on the ASFA Comfortable Retirement Standard (February 2026) lump sum estimate for a single person who owns their home. Outcomes vary by fund and individual circumstances. Figures are illustrative only and not guaranteed. Assumptions apply as at March 2026.

[7] Part-time and casual customers generally have lower funding ratios.

Our investment options cater to individuals

We provide three diversified investment options plus a purely cash option. Our options are designed to work together or separately to allow tailored risk-taking appropriate to the different stages of the working life cycle and individual customers' circumstances. The one thing in common for all our investment options is our approach to investment risk management. It enables us to consistently generate some of the highest net real returns to investment risk-taking in the industry.[8] This means that our customers can choose between our options with confidence.

- Our **Balanced (default)** investment option is true to its label because its asset allocation has a balanced mix of growth assets and defensive assets. The return generated per unit of risk taken (the risk-adjusted return) in this option was in the first quartile compared to peers (the SuperRatings SR50 Balanced survey) for 1, 3, 5, 7 and 15 years, and above median for 10 years despite taking less risk than other funds in this category historically. This means the return delivered for customers was achieved with less risk taken when compared to the median fund; i.e. we do not simply take on more risk to generate more returns because the larger the potential loss, the greater the subsequent gain required to restore value.
- Our **Income Focused** investment option focuses on generating a sustainable income with moderate capital growth and is suitable when the capacity to recover from market volatility is lower. This option was ranked first for risk-adjusted returns across the 7, 10 and 15 years to 30 June 2026 in the SuperRatings SR50 Capital Stable survey and in the first quartile for 1, 3 and 5 years for the year (net returns taking into account risk).[9]
- Our **Aggressive** investment option focuses on generating high, real returns over the long term and is suitable for individuals with a capacity for higher-risk investments and volatility in their balance. This option ranked first for risk-adjusted returns across the 7, 10, 15 and 20 years to 30 June 2026 and first quartile for 1, 3 and 5 years in the SuperRatings SR50 Growth survey (net returns taking into account risk).[10]
- Our **Cash** investment option aims to preserve capital and is 100% invested in cash assets.
- Our customers can factor in their individual characteristics on the retirement income calculator on our website and track their progress towards retirement.
- As explained on our website, we integrate risk management, including environmental, social and governance (ESG) risks, across all our customers' portfolios, rather than offer a standalone option. This is because we believe sound practices are relevant to achieve long-term sustainable value and positive environmental and social impact across all our customers' portfolios.

[8] SuperRatings peer surveys 30 June 2026.

[9] SuperRatings SR50 Capital Stable survey 30 June 2026.

[10] SuperRatings SR50 Growth survey 30 June 2026.

Our investment strategy

CSC's investment strategy is designed to help all our customers achieve a standard of living in retirement that is 'comfortable', as defined by ASFA, regardless of whether they retire in strong or weak market conditions. We expect every investment risk we take to improve the probability that our customers' balances will meet the ASFA standard by the time they retire at an assumed age of 67.

This means that we focus on the fundamentals of cash-flow generation and its sustainability rather than on market sentiment. We use market price momentum and reversals as opportunities to buy assets at prices that are low relative to our assessment of long-term fundamental value, or divest from assets that are no longer expected to deliver sustainable cash flow.

Innovative early adopters and integrated holistic risk management

We aim to actively protect our customers' savings and hunt for robust opportunities to grow their savings without undue risk. We are early adopters of new and innovative investment opportunities including technology infrastructure like data centres – which are only now gaining popularity with institutional investors – high-speed home internet infrastructure businesses, mobile phone towers and new energy and storage capacity assets.

We continuously assess whether investment returns for assets, net of costs and tax, are sufficient to compensate for any evolving risks to which those assets are exposed and vulnerable. Risks are not just those visible in an asset's short-term earnings; they can also arise long term in an asset's ecosystem and may reduce potential earnings capacity.

Such risks include how an asset or business is governed; how well it understands its competitive environment; the threats and opportunities of technology; how it supports, trains, manages and aligns its employees to its purpose and values; how it considers and manages its impact on the environment; and the community in which it operates. We believe the most robust insights into these factors come from a strong understanding of the governing body and management of an organisation, and by looking for consistency between a business's long-run strategies and short-term performance.

Competitive and consistent returns for our customers

Our investment strategy aims to achieve a cumulative return for our customers which is:

- fit for our customers' purpose: delivering the ASFA comfortable retirement income by the age of 67;
- resilient to developments in external market environments: by proactively managing risk especially as exogenous shocks occur, e.g. geopolitical events and associated market volatility, and buying high-quality assets and strategies, and profitable and sustainable businesses at fair or better prices; and

- competitive: compared with other superannuation funds with different strategies because we aim to consistently generate a robust return for every investment risk we take. By avoiding the risk of capital impairment but being prepared to take risk when prices are below long-run value, we expect competitive longer-term returns and reliable long-run outcomes.

Our investment performance to 30 June 2026

CSC's purpose is to deliver income adequacy for our customers in retirement, so we focus on growing our customers' savings above the options' inflation-linked long-term objectives. We also monitor peer-relative performance to be explicitly aware of (but not driven by) any significant differences in a competitive marketplace.

Our investment returns for the 10 years to 30 June 2026 for the Default, Balanced and MySuper Balanced options of the various schemes exceeded their objectives despite the periodic challenges of high Australian inflation rates:[11]

- For the financial year to 30 June 2026 CSC's MySuper Balanced option delivered 10.0% p.a. (net of fees and tax), exceeding inflation by +6.0% (compared to holding cash which only delivered 3.4%).
- Similarly, CSC's Aggressive option delivered 11.0% p.a. (net of fees and tax) for the financial year, building wealth for customers through inflation-hedging and non-cyclical growth assets, exceeding inflation by +7.0%.
- CSC's Income Focused option delivered 6.5% p.a. (net of fees and tax), ahead of inflation by 2.5%.

Note: Figures are rounded to one decimal place

CSC's investment options (Balanced, Aggressive and Income Focused) have all passed the APRA annual performance test (using net 10-year return to 30 June 2026).

Our investment discipline is to seek investment opportunities on an apples-to-apples comparison – returns should properly compensate for the risks to capital and the cost of accessing and stewarding the investment – rather than simply taking on more and more risk to capture higher (but less dependable and increasingly less certain) returns.

[11] Consumer Price Index, Australia, June Quarter 2026 | Australian Bureau of Statistics

Some of the key portfolio highlights in 2025–26

1. Examples of private assets[12]

Fit for the future

We continuously scan for quality assets that are well positioned for underlying structural change – for example those involved in digital and energy transition, or medical innovation, where the demand from growing and ageing populations is high. Future-fit assets can generate high business growth rates, somewhat insulated from cycles in broader economic activity, and can therefore help our portfolios withstand different economic, policy, political and market environments over the long timespan that is relevant for our customers' retirements.

Our portfolios benefit the most when these assets are purchased before others recognise their value and bid their prices up. However, being an early mover can also bring investment risks associated with unproven business models, inexperienced management teams, slower than expected adoption rates (e.g. due to high costs or complex implementation) or rapid obsolescence when one technology advance is superseded by another. We mitigate the risks associated with being an early mover by forming strategic partnerships with specialist investment managers.

Examples of our selective investment in building new future-fit infrastructure assets in 2025–26

CDC Data Centres (CDC)

- A decade ago, CSC was the first Australian superannuation fund to recognise data centres as critical infrastructure for a digital future. In 2016, after extensive due diligence to identify a high-quality data centre asset, we made a significant and pioneering investment in CDC, well ahead of the emergence of data centres as a more-broadly-recognised infrastructure sector.
- This year, CDC's value increased significantly after securing the largest data centre contract in Australia's history. This contract materially increased the proportion of CDC's capacity supported by customer commitments and accelerated the development of new facilities in Sydney and Melbourne.
- CDC's growth demonstrates the benefit of CSC identifying a structural investment theme early, retaining exposure as the business scaled, and continuing to support investment in new capacity as customer demand strengthened.

High-speed home internet infrastructure

- We see high-speed broadband as an essential service for modern households, akin to power and other basic utilities.

[12] Private assets include private equity, property and infrastructure. This includes both traditional assets like utilities, toll roads and airports as well as newer growth areas like digital and energy transition. This can also include investments with different risk return patterns that give CSC customers downside protection, while allowing them to participate in growth upside.

- We invest in the infrastructure required to deliver this service because digitisation trends (e.g. work-from-home, growth in data usage and data storage) can drive capital growth and cash flows, regardless of the state of the broader economy.
- As with all our investments, we look for a competitive advantage that can be sustained. In this case we believe superior reliability and speed, and near-unlimited ability to upgrade, mitigate fibre investments against obsolescence risk. Our portfolios now own digital infrastructure in Australia, the United States and Europe.

New energy assets

- Energy transition is a fast-moving field, and we monitor the opportunity set as it evolves with technology advances and interdependent responses from policymakers, capital providers, developers and operators.
- Currently we aim to find the most compelling returns (for the level of risk) in the development of new energy and storage capacity. This also means we are financing additional energy capacity that is needed, rather than merely accumulating portfolios of existing assets.
- We favour investments in energy generation developers with strong internal development and operational teams, as these have a competitive advantage in negotiating grid access, planning approvals and supply chain challenges.
- Our aggregate pipeline of new assets is well diversified. It spans solar, wind and battery development opportunities across Western Europe, Central Europe, Latin America, North America, Australia, Japan and India.

Electric Vehicle (EV) charging

- The trend towards less carbon-intensive transport also provides opportunities in the infrastructure needed to electrify transport.
- We invested in a first-mover European business that builds and owns the infrastructure for charging-at-home solutions. As users prefer to charge their vehicles at home rather than at their destination or on the street, it should benefit from more stable demand than other charging infrastructure.
- This business is further aided by operating in a region that has favourable policy support for EVs.

Private equity

- CSC customers benefited from a diversified source of private portfolio companies, spanning transmission signalling technologies; new generation satellites; commercial space transportation; artificial intelligence development; and novel cancer treatments. These early investments into innovative, profitable companies also contributed to improved health and safety outcomes and technological advancement for the future.

2. High-quality assets and objective, equitable valuations

- We have always adhered to our valuation of investments policy to ensure equitable robust, independent and timely valuation of our unlisted assets. For real assets like property and infrastructure, we use appraisal-based external valuations regularly from appropriately qualified independent valuers.
- Our real estate investments' overall premium quality contributed to outperformance compared to a number of peer funds in this financial year. This quality is reflected in well-leased assets with a broad and diversified tenant base in strategic premium locations: Grosvenor Place in Sydney, 101 Collins in Melbourne and QV1 in Perth.
- In December 2025 CSC doubled its ownership of Grosvenor Place, 225 George Street, Sydney from 25% to 50%. CSC first acquired part of Grosvenor Place in 2007. Since inception, returns over this have been well ahead of inflation, growing the purchasing power of CSC's customers retirement balance. This was due to pro-active management and stewardship, and taking advantage of the entry opportunity afforded by Sydney CBD office market dynamics.

3. Building new investment management businesses

Over the last year we have continued our innovative seeder program by:

- Identifying and partnering with global best-practice investment talent to create new sources of investment returns for our customers in a tailored and cost-effective way;
- Supporting these new businesses early, we are able to share profits in the partnership, effectively lowering fees over time as the businesses grow by winning additional new global clients that increase their assets under management; and
- Adding to our internal, proprietary strategies for active return generation.

4. Integrated management of all risks

Our proactive management of short-, medium- and, importantly, long-horizon risks continued with:

- The deployment of dynamic capital-protection strategies to hedge our customers' savings against event risks; and
- Stewardship of our material public companies, where cost-effective and in customers' best financial interests to do so, which is executed indirectly by voting on all shareholder resolutions.

More details can be found in **Section 5: Our Investments**.

5. Best value for money for our customers

Specifically, our focus on continuous improvement means that structures we have been putting in place over the past 10 years continue flowing through to sustainably reduce the investment costs of our Balanced, Aggressive and Income Focused investment options. This trend is reflected in investment fees remaining significantly below our

historical levels during the financial year 2025–26. Our fee structures focus on alignment of our investment agents with our customer outcomes, by ensuring that investment manager performance is rewarded fairly when they deliver at or above our customers' objectives, but, where applicable, clawed back when it is not. For example, we have:

- responded proactively to efficiencies arising from changing market dynamics;
- exploited inefficiencies arising from Australian industry dynamics;
- used our pricing power to reduce the costs but maintain the quality of financial value we can create over our customers' working lifetime; and
- kept our focus on value-for-money, rather than just lowest cost.

Furthermore, our early-stage investment manager program, our internal dynamic macro fund (unlevered) strategy, our private equity and hedge fund co-investment programs and our internalised risk capability have all reduced costs while adding value compared to external structures used by smaller peers.

6. Resilient portfolios for a wide range of plausible scenarios

By considering a wide range of plausible fundamental developments, we examine what our customers' portfolios need to be resilient to evolving market conditions. We search for assets capable of dependably generating inflation-linked cash flows without also eroding capital value.

We look for high-quality assets that are more resilient to slower economic growth because they provide essential services or inputs into activity. We look for excellence in the management teams that operate our assets, so that they can agilely position their businesses for comparative advantage, deploy technology smartly and be proactive about the structural changes underway almost everywhere today.

Specifically, over the past number of years, we have been preparing our customers' portfolios for resilience by:

- building greater geographic diversity into our defensive assets and currencies;
- financing new private assets and businesses, rather than trading claims on operating ones;
- building new asset management businesses with revenue-sharing arrangements;
- hedging against long-term inflation risk; and
- maintaining our focus on the fundamental value and quality of assets, rather than their current prices.

In these ways we continue to seek to deliver to our purpose and measure our success by:

- the level of financial adequacy we can generate for our customers in retirement;
- avoiding capital-impairing risks along that journey;
- early identification and execution into high-quality assets whose cashflows are supported by structural trends rather than cyclical conditions or fads; and

- endeavouring to avoid material losses through periods of market setback.

In the face of these uncertainties, our relative size and governance advantages enable us to manage risks nimbly, move early and invest robustly into more complex opportunities where capital is scarcer. We believe these areas are likely to be the richest sources of return going forward and will enable us to continue honouring our commitment to proactively protect our customers' savings from inflation erosion.

7. Our investment governance model

Our investment governance model is unique and designed specifically to support our capacity to take investment decisions in real time, rather than subject to the constraints of the Board meeting cycle, and to proactively identify and manage risks with agility before they can materially impact customers' superannuation savings. We operate with full transparency, clarity of risk appetites and tolerances, and delegated accountability in all investment decisions.

Our investment governance framework means that CSC implements its investment decisions through:

- **a structured and transparent set of delegations**, ensuring the right decisions are taken at the right time by dedicated professionals best skilled and, therefore, accountable to take them;
- **a robust set of specialised, external agents** who complement CSC's internal resources, are agile and targeted to be fit for specific CSC investment purposes, and materially reduce our uncompensated operational risks; and
- **a nimble, stable and skilled internal investment team** focused on ensuring CSC's comparative advantages are used to our customers' best interests, empowered to continuously innovate to maintain our global best-practice credentials and focused on assessing and managing the implications for risk taking that flow from a continuously evolving, global market.

To learn more about CSC's investment approach and strategy, go to the **Our Investments** section of this report on page 67.

Administration of our schemes

Table 3. CSC's operational performance: criteria and results

Performance criteria	Result
Achievement of operational objectives for contributions processing and benefits/pensions payments (Source: CSC's 2025–26 Corporate Plan).	**Not Achieved:** 90% of each operational objective was met, as shown below, with the exception of CSC's defined contribution schemes benefit payments. **Benefit payment objectives met:** • 96% of benefit payments to customers in CSC's defined benefit schemes CSS and PSS were paid within five business days of CSC receiving all required documents (exceeding our performance criterion of 85.5%). • 97% of benefit payments to customers in CSC's defined benefit scheme DFRDB and MilitarySuper were paid within five business days of CSC receiving all required documents (exceeding our performance criterion of 85.5%). • 76% of benefit payments to customers in CSC's defined contribution schemes were paid within three business days of CSC receiving all required documentation (not meeting our performance criterion of 85.5%).[13] **Pension payment objectives met:** • 99.9% of fortnightly pension payment files for CSC's defined benefit schemes were lodged with CSC's bank on Wednesday morning prior to pay day (meeting our performance criterion of 90%). • 100% of pension payments for CSCri and ADF Cover were completed by the 21st of each month (meeting our performance criterion of 90%). **Contribution processing objectives met:** • 99.9% of contributions to CSC's defined benefit schemes were allocated to customer accounts within four days of CSC validating the contribution (exceeding our performance criterion of 85.5%). • 99% of contributions to CSC's defined contributions were allocated to customer accounts within three business days of the contribution being validated (exceeding our performance criterion of 85.5%).

[13] Defined Contribution did not achieve its operational objective due to the impacts of major system migration activities during quarters three and four. These activities required significant business resources and resulted in reduced operational capacity and system stabilisation challenges. While performance remained below target, the migration established a stronger foundation for service delivery, improved customer outcomes and greater operational efficiency. The successful implementation of the migration represents a significant achievement for CSC during the reporting period.

How we administer our superannuation schemes

Apex Superannuation Administration Services Pty Ltd is contracted by CSC to administer our PSSap, CSCri and ADF Super schemes. We administer all our other superannuation schemes.

Accurate and efficient administration

We have a well-developed governance framework for managing the administration of our customers' superannuation savings. This framework includes:

- activities to support the provision of accurate and complete data from our customers' employers
- forecasts of workloads to ensure that staff are deployed most effectively during peak service periods
- continuous technology improvements so that administration is compliant, fast and accurate, and staff spend more time on customer needs.

Our services to customers

We are committed to guiding our customers towards their retirement outcomes. Our commitment is embedded in our brand. We aim to be the guide for our customers. In addition to the core administration of our customers' superannuation savings, we provide a range of services to help our customers achieve the retirement outcomes they seek.

These other services include:

- CSC Super Specialist appointments, providing general advice on superannuation and retirement planning to individual public service customers
- one-on-one and group seminars covering a range of superannuation topics, tailored to each of our superannuation schemes
- financial planning services, which are provided on a fee-for-service basis; each of our Financial Advisers is independently certified by our financial planning partner, Guideway Financial Services
- support and general advice via our customer contact channels (phone, email, social media and in person)
- support for employers to, in turn, support their employees and their superannuation and insurance needs
- support to customers who experience a medical event potentially covered by our various insurance products
- services to support family customers when a customer dies.

We recognise that our customers' needs and expectations are constantly changing and we must continually change and adapt our service model and how we communicate, to ensure we stay relevant and of value to our customers.

Customer feedback

Summary approach

CSC continues to be committed to listening to our customers' feedback and taking meaningful action through our Voice of Customer program. We gather and respond to feedback through various surveys, with our current key measure for sentiment represented by a Net Promoter Score (NPS). Our primary NPS metric is collected through the Customer Relationship Survey (CRS).

In the 2025–26 financial year the CRS was sent to approximately 308,000 customers, receiving around 6,400 responses, resulting in a 2.1% response rate. Among the respondents, approximately 1,800 were Defined Contribution (DC) customers and 4,600 were Defined Benefit (DB) customers who have not yet started receiving a pension.

To support our overall NPS outcome, our survey asks customers: "How likely would you be to recommend your CSC scheme to a friend or family customer?" This allows us to determine customer advocacy. In addition to this, the survey insights help us to:

- enhance customer experience and engagement
- prioritise improvement initiatives
- facilitate further development of our digital platforms
- provide product sentiment, suitability and potential future innovation.

Performance overview

Table 4. CSC's service performance: criteria and results

Performance criteria	Results
Adequate satisfaction levels of customers, beneficiaries and employers with the service provided. (Source: CSC's 2025–26 Corporate Plan)	**Achieved:** Across all customers the NPS score increased by 6 points, from -6 to 0. **Achieved:** The current NPS for employers is +62 which exceeds the benchmark of +10.

Customer satisfaction

For the financial year 2025–26 our overall NPS score improved by 6 points, rising from -6 to 0. This improvement meets our performance target and represents our strongest NPS result since the survey's inception, reaching a neutral score for the first time. A closer analysis revealed stronger sentiment among DC scheme customers, with a 15-point uplift bringing the score to +16 (see the data note below Table 5). DB schemes also contributed to the overall improvement, recording a 4-point increase to -6.

Key improvement areas

Among Defined Contribution (DC) scheme customers, sentiment improved across our key areas this year, underpinned by consistently strong trust and reliability, and improving value for money. The most notable gains were:

- **Investment performance** – Customer sentiment rose sharply, reflecting growing confidence in our returns and continued momentum from prior-year gains.
- **Customer service** – Noticeably more positive, with customers reporting easier and more responsive interactions with our teams.
- **Digital experience (user interface)** – A clear step up in online navigation and usability, moving from marginal to firmly positive sentiment.
- **Communication clarity and responsiveness** – Messaging feels more transparent and our teams are noticeably easier to reach.

Negative sentiment impacting NPS

DC improvement was broad-based, with previously negative themes such as administrative processes and digital access easing to neutral or positive over the year. A small number of areas still attract negative feedback:

- **Insurance** – The effectiveness of our communication with customers regarding our insurance offerings remains the primary source of negative sentiment, although it improved on the prior year.
- **Fees and value for money** – While perceived value improved markedly over the year, fee levels remain a significant source of negative feedback, second only to insurance by volume of comment.
- **Product flexibility and switching** – A smaller group of customers raised concerns about scheme flexibility and the ease of moving between products.

Table 5. NPS by scheme type

Survey name	2021–22	2022–23	2023–24	2024–25	2025–26	
	NPS	NPS	NPS	NPS	NPS	+/-
Defined Benefit Schemes	-11	-11	-12	**-10**	**-6**	**+4**
Defined Contribution Schemes	-10	-13	-5	**1**	**16**	**+15**

Both DC and DB schemes demonstrated progress in perceived value, investment performance, communication clarity and digital experience. However, the more modest improvement in the DB scheme score is primarily attributed to the inflexible nature of the scheme rules.

Table 6. NPS for ADF and APS schemes

Survey name	2021–22	2022–23	2023–24	2024–25	2025–26	
	NPS	NPS	NPS	NPS	NPS	+/-
ADF Schemes	-17	-20	-17	-16	**-12**	**+4**
APS Schemes	-7	-8	-7	-4	**6**	**+10**

With a 95% response rate from DB schemes, the ADF scores are significantly lower because the inflexible nature of the scheme rules impact the NPS from those customers.

Touchpoint survey results

We also surveyed our customers at specific touchpoints and key events. The NPS results for these touchpoints are detailed in the following table.

Table 7. NPS touchpoint results across CSC in 2025–26 compared with 2024–25

Touchpoint	2024–25	2025–26	
	NPS	NPS	+/-
On-boarding	5	-15	-19
Ancillary on-boarding	37	46	+9
Financial advice	67	74	+7
Website	-72	-53	+19

We saw improvements across nearly all touchpoints with more work to be done, noting that Financial advice remains steady due to its already high satisfaction levels.

Section 3

Our Board of Directors

Our Board of Directors

CSC's governing legislation establishes the CSC Board of Directors. The function of the Board is to ensure that CSC performs its functions as outlined in the governing legislation in a proper, efficient and effective manner. The Board has the power to do all things necessary for, or in connection with, the performance of its functions.

This section details the composition and responsibilities of the Board, Board remuneration and director indemnity, as well as explaining how the Board's authority is delegated and how Board performance is reviewed.

Directors for 2025–26 are listed below.

Composition

In 2025–26 the Board consisted of an independent Chair and eight other directors. The Minister for Finance (the Minister) chooses four directors in consultation with the Minister for Defence. Of the remaining directors, two are nominated by the President of the Australian Council of Trade Unions (ACTU) and two are nominated by the Chief of the Defence Force. The Minister appoints all directors.

The Chair is appointed by the Minister after consultation with the Minister for Defence and after the Board has agreed to the person proposed by the Minister. All directors must meet the fitness and proprietary standards under the SIS Act.

Responsibilities

The Board is responsible for the sound and prudent management of CSC's superannuation schemes. Directors and CSC employees are required to comply with the Board's governance policy framework.

The framework includes documents such as the Board Charter, Conflicts Management Policy and Framework, Fit and Proper, Board Renewal and Board Performance Evaluation policies. The Board Governance policy framework is discussed in the **Our Governance** section on page 45.

Delegated authority

The CSC Board may delegate its powers under certain legislation. The Board has delegated authority for many activities including corporate and investment matters as well as scheme administration. Delegations are reviewed regularly to ensure they remain current. CSC employees exercising delegations are accountable to the CEO, who, in turn, is responsible to the Board. Sensitive or extraordinary matters that arise within delegated powers are usually referred by the CEO to the Board.

Performance review

The Board's performance is formally evaluated annually, including evaluation of the Board as a whole, the Chair, individual directors and Board committees. A range of matters are examined as part of this review process including performance relative to objectives, fulfilment of responsibilities, structure and skills, strategic direction and planning, policy development and monitoring and supervision. Every three years the review is performed by an independent third party who is selected based on submissions and market references.

The latest independent Board Performance Assessment was undertaken by KPMG in April 2025.

With a view to improving performance, all directors participate in ongoing professional development activities in accordance with the CSC Fit and Proper Policy and the Board Skills Matrix. The Board Skills Matrix can be found on the CSC website: https://www.csc.gov.au/about-csc/corporate-governance

Remuneration

Section 14 of the *Governance of Australian Government Superannuation Schemes Act 2011* and the *Remuneration Tribunal Act 1973* provides for the Remuneration Tribunal to determine the remuneration of CSC directors, including for members of the Audit Committee and the Reconsideration Committees.

Remuneration is disclosed in this report on page 58.

Director indemnity

The director or a delegate of the Board, acting in good faith, will not be subject to any action, liability, claim or demand, for anything done (or not done) in the performance of their functions under CSC's governing legislation. CSC, however, may be subject to an action, liability, claim or demand.

As well as legislative indemnity for directors and delegates of the Board, CSC holds trustee liability and comprehensive crime insurance which complies with the *Corporations Act 2001*. CSC has provided all directors with a deed of indemnity, insurance and access.

Diversity and inclusion

CSC aims to work in a supportive and collaborative way. We support and encourage a diverse and inclusive workforce by fostering a culture and environment of respect, courtesy, honesty and integrity, and treat others as we wish to be treated ourselves. We appreciate difference and respect other perspectives and cultures.

Our commitment to diversity starts at the Board level. CSC believes we will achieve better outcomes for customers, a higher standard of corporate governance, improved financial performance and attract and retain talented staff if we genuinely embrace the

goal of cognitive diversity, which is realised through workforce equality and a spectrum of skills and experience.

CSC's commitment to diversity is detailed in our Diversity and Inclusion Policy, available on our website.

In accordance with these commitments, CSC actively encourages our investment managers to engage with investee companies that support these targets.

Our Board members in 2025–26

Ms Janet Torney

Appointed 31 March 2025 to 30 March 2028

- Chair of the Board
- Member of the People and Governance Committee
- Director of ARIA Co Pty Ltd

Ms Torney is a professional chair and director. She is a member of the Risk Committee of Gateway Bank (since 2024), a Director and Chair of the Finance Audit Investment & Risk Committee of the Australian Cricketers Association (since 2016) and a Director and Chair of the Governance Committee and a member of the Audit & Risk Committee of Netball NSW (since 2023).

Ms Torney was previously Chair of Perpetual Superannuation (2019–25), Chair of ANZ Staff Superannuation (2023–25), Chair of Club Plus Superannuation (2015–22), Chair of Whitehelm Capital (2013–22), Member of the Australian Reinsurance Pool Corporation (2015–21) and Chair of Girl Guides Australia (2013–22). Ms Torney has over 30 years of experience in business leadership, investments, economics and consulting including roles as CEO Qantas Super (2007–11) and Investment Consulting Practice Leader at Aon Investment Consulting (2002–07).

Ms Torney has a Bachelor of Economics (First Class Honours and University Medal), is a Fellow of the Australian Institute of Company Directors (FAICD), a Fellow and Trustee Fellow of the Association of Superannuation Funds of Australia (FASFA/TFASFA) and is the inaugural Life Member of the Australian Business Economists.

Ms Juliet Brown AM, LLB, FAICD

Appointed 13 September 2021 to 30 June 2024; re-appointed 1 July 2024 to 30 June 2027

- Member of the Audit Committee
- Member of the Risk Committee until 31 December 2025
- Member of the Customer Experience Committee
- Director of ARIA Co Pty Ltd

Ms Brown is a professional company director who has extensive experience in law and business.

She was previously Deputy Chancellor of the University of Adelaide, a member of the Council of the University of Adelaide and an external member of the University's Finance Committee. Ms Brown was previously a member of Bank Australia and People's Choice Credit Union's Nominations Committees, Chair of the South Australian Lifetime Support Authority, Chair of Catherine House Inc., a member of the South Australian Government Financing Authority Advisory Board and the Independent Chair of Statewide Super.

Prior to her company director roles, Ms Brown was Chief Executive of Thomson Playford (now Thomson Geer) and practised as a solicitor in the health and insurance sectors.

Ms Brown holds a Bachelor of Laws from the University of Adelaide and is a Fellow of the Australian Institute of Company Directors.

Ms Melissa Donnelly

Appointed 1 July 2020 to 30 June 2023; re-appointed 1 July 2023 to 30 June 2026; re-appointed 1 July 2026 to 30 June 2029. Ms Donnelly resigned as a Director on 28 August 2026.

- Nominee of the President of the ACTU
- Chair of the Customer Experience Committee
- Member of the Audit Committee until 31 December 2025
- Member of the Risk Committee from 1 January 2026
- Director of ARIA Co Pty Ltd

Ms Donnelly is the National Secretary of the Community and Public Sector Union (CPSU). In her time at the CPSU Ms Donnelly has occupied a range of roles, including leading the national political, industrial, research and legal team prior to joining the national Executive Committee in 2015. She also holds a range of positions in the ACTU and other forums.

Ms Donnelly is involved in setting the national strategic direction of the CPSU, as well as governance and budgetary processes, and is a member of the Respect@Work Council.

Ms Donnelly has worked across all areas of the CPSU including the federal public sector, telecommunications, broadcasting and private sector industries. Ms Donnelly was previously a Director of Telstra Super and Shared Advantage Limited.

Ms Donnelly holds degrees in law and social science.

Ms Jacqueline Hey

Appointed 21 October 2021 to 30 June 2024; re-appointed 1 July 2024 to 30 June 2027

- Chair of the People and Governance Committee
- Member of the Customer Experience Committee
- Director of ARIA Co Pty Ltd

Ms Hey is currently a Director at OFX Group Limited and Medibank Private Ltd. She was previously Chair of Bendigo and Adelaide Bank Ltd, and was a Director of Qantas Airways Ltd, Cricket Australia, the Australian Foundation Investment Company Limited, the

Melbourne Business School, the Special Broadcasting Service and AGL Energy Ltd. She has also been a Member of the ASIC Directory Advisory Panel and Brighton Grammar School Council.

Ms Hey is a Member of CEW (Chief Executive Women).

Prior to commencing as a full-time company director Ms Hey worked at IT and telecommunications company Ericsson for over 20 years in Australia and internationally, including as the MD/CEO of Australia/New Zealand and MD/CEO of UK/Ireland.

Ms Hey holds a Bachelor of Commerce (majoring in Economics) from the University of Melbourne, a Graduate Certificate of Management from Southern Cross University and is a Graduate of the Australian Institute of Company Directors.

Rear Admiral Lee Goddard CSC

Appointed 1 July 2022 to 30 June 2025, re-appointed 1 July 2025 to 30 June 2028

- Nominee of the Chief of the Defence Force
- Chair of the Risk Committee until 31 December 2025
- Chair of the Defence Force Case Assessment Panel (from 1 May 2023)
- Chair of the MilitarySuper Reconsideration Committee (from 1 May 2023)
- Member of the Risk Committee from 1 January 2026
- Member of the Audit Committee from 1 January 2026
- Director of ARIA Co Pty Ltd

Rear Admiral Lee Goddard is a Strategic Advisor to the Minderoo Foundation, an Advisory Board Member and CEO of the Australian Missile Corporation, a Non-Executive Director of the AUSTAL Group, a Strategic Advisor to OCIUS Technology Limited and was the Chairman (Race Director) of the Sydney to Hobart Yacht Race. Rear Admiral Goddard is a Director of Pymble Ladies College.

Rear Admiral Goddard previously served as Commander Joint Agency Taskforce-Operation at the Australian Department of Home Affairs, Commander Maritime Border Command at the Australian Border Force, Head of the APEC Taskforce and Assistant Secretary International Policy at the Department of the Prime Minister and Cabinet, and Director Military Strategic Commitments at the Australian Department of Defence. He was until recently a non-executive Director of the Whiskey Project Group.

Rear Admiral Goddard had a distinguished full-time naval career of over 34 years, commanding warships and joint taskforces at every senior rank. He was awarded the Conspicuous Service Cross in the Australia Day 2007 Honours List. Rear Admiral Goddard continues to serve as a member of the Royal Australian Navy active reserve.

Rear Admiral Goddard holds a Masters of Strategy and Policy from the US Naval War College, a Master of Arts (International Relations) from Deakin University, a Bachelor of Science from the University of New South Wales and is a Member of the Australian Institute of Company Directors.

Major General David Mulhall DSC, AM, CSC

Appointed 2 May 2023 to 30 June 2025, re-appointed 1 July 2025 to 30 June 2028

- Nominee of the Chief of the Defence Force
- Chair of the Risk Committee
- Member of the Audit Committee until 31 December 2025
- Member of the Customer Experience Committee
- Member of the People and Governance Committee
- Deputy Chair of the Defence Force Case Assessment Panel
- Deputy Chair of the MilitarySuper Reconsideration Committee
- Director of ARIA Co Pty Ltd

Major General Mulhall is self-employed through Arawang Advisory Pty Ltd as a Strategic Advisor to a range of corporate clients, is an Independent Advisor to the Birdon Group and a Non-Executive Director in the not-for-profit Birchtree Foundation. He was appointed to the Birchtree Hospital Advisory Board in June 2024.

Following his transition from full-time military service Major General Mulhall was appointed Senior Advisor (Defence Reform) to the Minister for Defence and served as First Assistant Secretary – Disability and Aged Care Workers in the National COVID Vaccine Task Force.

Major General Mulhall served full time in the Australian Army for 36 years. Key positions included Commander Joint Logistics, a senior role in the peak Coalition Headquarters in Afghanistan, while appointed concurrently as Commander Joint Task Force 636, Commander 17th Combat Service Support Brigade and Chief of Staff Army Headquarters. He has been appointed a Member of the Order of Australia and awarded the Distinguished Service Cross and Conspicuous Service Cross, and, by the United States, the Legion of Merit and Bronze Star Medal.

Major General Mulhall holds a Master of Engineering (Integrated Logistics Management) from the Royal Melbourne Institute of Technology University, a Master of Defence Studies from the University of Canberra, a Graduate Diploma of Strategic Studies from the Australian Defence College, a Post Graduate Diploma of Transportation Planning and Management from Cranfield University, and a Bachelor of Professional Studies from the University of New England. He is a Graduate of the Oxford Advanced Management and Leadership Programme and a Graduate of the Australian Institute of Company Directors.

Mrs Andrea Hall

Appointed 1 July 2023 to 30 June 2026; re-appointed 1 July 2026 to 30 June 2029

- Employer Representative
- Chair of the Audit Committee
- Member of the Risk Committee
- Director of ARIA Co Pty Ltd

Mrs Andrea Hall is an experienced Director, Board Member and Chair of Audit and/or Risk Committees. She sits on the boards of Western Power, the Perenti Group, Evolution Mining and the Australian Naval Infrastructure Board. She was until recently a member of the board of Core Lithium Ltd and the Fremantle Football Club.

Mrs Hall formally worked for KPMG as a Risk Consulting partner, on the Senate of Murdoch University and was the Chair of the Western Australia Council for the Chartered Accountants Australia and New Zealand. She has worked with or served on various other boards and committees across the government, mining, insurance and financial services sectors. She has over 20 years of experience in corporate, operational and board governance, risk and financial management and audit, and is a Member of Chief Executive Women (CEW).

Mrs Hall has a Bachelor of Commerce (Accounting/Finance) and a Masters in Applied Finance, is a Fellow of the Institute of Chartered Accountants Australia and New Zealand, and a Graduate of the Australian Institute of Company Directors.

Ms Arundhati Tandel

Appointed 1 July 2025 to 30 June 2028

- Nominee of the President of the ACTU
- Member of the People and Governance Committee
- Director of ARIA Co Pty Ltd

Ms Tandel is the Senior Industrial Officer of the Community and Public Sector Union.

Ms Tandel provides strategic analysis and technical advice to the union's Executive and staff on complex bargaining, industrial and governance matters. Ms Tandel represents the union in various forums advocating in workers' interests including in gender equity and diversity and inclusion.

Ms Tandel holds a Juris Doctor from the University of Technology Sydney and a Bachelor of Commerce (majoring in Economics, Government and Industrial Relations) from the University of Sydney.

Mr Emilio Gonzalez

Appointed 24 October 2025 to 23 October 2028

- Employer Representative
- Member of the Audit Committee
- Chair of ARIA Co Pty Ltd

Mr Gonzalez is a professional director who brings to the Board more than 35 years of investment management expertise, spanning Australia and international markets. His deep proficiency in financial services and strategy stems from a distinguished career at Perpetual Investment Management and Pendal Group Ltd. He served as Chief Executive Officer from 2010 to 2021 at Pendal Group where he spearheaded global strategy, finance, operations, funds management, distribution and acquisitions.

Mr Gonzalez is a non-executive director at DNR Capital and Big Blue Ocean Investments – a family office – and serves on the Board of the Australian Brandenburg Orchestra Foundation. Previously he was an independent Director on the Queensland Investment Corporation Board and Chairman of the Governors at the CFA Institute.

Mr Gonzalez holds a Bachelor of Commerce (majoring in Economics) from the University of Wollongong, is a Chartered Financial Analyst (CFA) and earned a Graduate Diploma in Applied Finance from the Securities Institute of Australia.

Board meeting attendance

Table 8. Board and standing Board committee meeting attendance in 2025–26

Board Member	Board meetings	
	Attended	Eligible to attend[14]
Janet Torney	7	7
Juliet Brown	7	7
Melissa Donnelly	7	7
Lee Goddard	7	7
Andrea Hall	7	7
Jacqueline Hey	7	7
David Mulhall	7	7
Arundhati Tandel	7	7
Emilio Gonzalez	4	5

Board committees

Established committees assist the CSC Board to carry out its responsibilities. Committee members are appointed by the Board and each committee has its own Board-approved terms of reference, which are reviewed from time to time.

The Board has four standing committees: the Audit Committee, the Risk Committee, the People and Governance Committee and the Customer Experience Committee. All standing committees' Terms of Reference are available on the CSC webpage https://www.csc.gov.au/Customers/About-CSC/Corporate-governance

CSC Audit Committee

The Audit Committee ('the Committee') is established by the Board to assist in the oversight of:

- Financial reporting
- Sustainability reporting (including climate reporting)
- Commonwealth performance reporting requirements
- Systems of risk oversight and management via the Risk Management Declaration (overseen by the Risk Committee)
- Systems of Internal Control
- Regulatory and statutory reporting including all APRA and ASIC statutory reporting requirements and regulatory oversight
- Professional accounting and taxation requirements

[14] 'Eligible to Attend' and 'Attended' numbers include out-of-session meetings but do not include circular resolutions.

- Internal and external audits, including the appointment of internal audit providers
- Valuation of investments, including structures, policies and processes to manage valuation risk.

The terms of reference for the CSC Audit Committee are available on the CSC webpage https://www.csc.gov.au/Customers/About-CSC/Corporate-governance.

Table 9. CSC Audit Committee

Member name	Qualifications, knowledge, skills or experience	No. of meetings attended	Total number of meetings	Remuneration	Additional information
Juliet Brown	AM, LLB, FAICD Bachelor of Laws from the University of Adelaide and Fellow of the Australian Institute of Company Directors. Full biography p34.	4	5	For total remuneration as well as remuneration attributable to service on Audit Committee please refer to Table 17 on p58.	
Melissa Donnelly	Bachelor of Social Science (BSocSci) and Bachelor of Laws (LLB), Graduate Diploma of Legal Practice. Full biography p35.	3	3		
Andrea Hall (Chair from 1 Oct 2023)	Bachelor of Commerce (Accounting/ Finance), Master of Applied Finance, Fellow of the Institute of Chartered Accountants Australia and New Zealand, Graduate of the Australian Institute of Company Directors. Full biography p38.	5	5		
David Mulhall (Member until 31 December 2025)	DSC, AM, CSC Master of Engineering (Integrated Logistics Management), Master of Defence Studies, Graduate Diploma of Strategic Studies, Post Graduate Diploma of Transportation Planning & Management, Bachelor of Professional Studies, Graduate of the Oxford Advanced Management and Leadership Programme and Graduate of the Australian Institute of Company Directors. Full biography p37.	3	3		
Lee Goddard (Member from 1 January 2026)	Master of Strategy and Policy, Master of Arts (International Relations), Bachelor of Science, Member of the Australian Institute of Company Directors, Conspicuous Service Cross, Non-Executive Director and strategic advisor. Full biography p36.	2	2		
Emilio Gonzalez (Member from 1 January 2026)	Bachelor of Commerce (Economics), Graduate Diploma in Applied Finance, Chartered Financial Analyst, non-executive director and former Chief Executive Officer. Full biography p39.	2	2		

CSC Risk Committee

The Risk Committee ('the Committee') is established by the Board to assist with oversight of the Trustee's risk management and operational resilience arrangements. The Committee provides independent oversight of whether enterprise and material risks are being managed within the Board-approved risk appetite and in accordance with applicable prudential and regulatory requirements. In fulfilling this purpose, the Committee will have oversight of:

- Trustee's Risk Management Framework and Risk Appetite Statement
- CSC's risk culture
- Enterprise and material risks across all aspects of the business including operational resilience and crisis management, fraud and compliance, investment, information and communications technology (ICT) and information security, data governance and corporate sustainability
- Compliance with relevant prudential standards (including SPS 220, CPS 230 and CPS 234)
- Material risk incidents, breaches and complaints
- Emerging and systemic risks
- Make recommendations to the Board, Audit Committee, People and Governance Committee on matters within its remit.

Table 10. CSC Risk Committee

Membership	Attended	Eligible to attend
Juliet Brown until 31 December 2025	1	2
Lee Goddard (Chair) until 31 December 2025	4	4
Andrea Hall	4	4
Melissa Donnelly	4	4
David Mulhall (Chair) from 1 January 2026	2	2

CSC People and Governance Committee

The People & Governance Committee ('the Committee') is established by the Board to assist in the oversight of:

- Workforce strategy, culture, leadership and remuneration
- Board succession planning
- CEO recruitment and succession planning
- Executive succession planning
- Governance frameworks, policies and practices
- Director recruitment, evaluation and development
- Regulatory compliance related to people, governance and accountability obligations.

Table 11. CSC People and Governance Committee

Membership	Attended	Eligible to attend
Jacqueline Hey (Chair)	5	5
David Mulhall	5	5
Arundhati Tandel	2	2
Janet Torney	5	5
Juliet Brown	2	3

CSC Customer Experience Committee

The Customer Experience Committee ('the Committee') is established by the Board to:

- Provide strategic oversight and guidance on customer initiatives that enhance customer experience, engagement and outcomes
- Oversee the development and performance of customer engagement strategies, services, products, and communications for alignment with CSC's purpose, values and best financial interests duties
- Monitor the effectiveness of relationships and collaboration between customers, their representatives, APS and ADF employers to deliver sustainable and positive customer outcomes.

Table 12. CSC Customer Experience Committee

Membership	Attended	Eligible to attend
Melissa Donnelly (Chair)	2	2
Jacqueline Hey	2	2
David Mulhall	2	2
Juliet Brown	2	2

Other Board committees

The Board has also established two committees which, on application by affected customers, reconsider some decisions made under scheme legislation. These committees are the:

- Military Super Reconsideration Committee
- Defence Force Case Assessment Panel.

CSC may, from time to time, establish other ad hoc committees to meet a specific requirement or change.

Section 4

Our Governance

Our Governance

Introduction

The CSC Board aspires to best practice and to be a leader in governance policy and practice. Our Board's governance framework includes the following policies (most of which are also available on our website):

- Accountability and Consequence Management Framework
- Administration Reserve Strategy
- Anti-Money Laundering/Counter-Terrorism Financing Program (Part A)
- Board Charter
- Board Performance Evaluation Policy
- Board Renewal Policy
- Operational Resilience Policy
- Code of Conduct
- Conflicts Management Policy
- Derivatives Risk Statement
- Design and Distributions Policy
- Diversity and Inclusion Policy
- Earnings Rate Policies (PSS and CSS static policies)
- Fit and Proper Policy
- Fraud and Corruption Control System
- Governance Framework
- Incident and Breach Management Policy
- Information Security Management Policy
- Insider Trading Policy
- Insurance Strategy and Insurance Management Framework
- Investment Governance Framework and Policies
- Modern Slavery Policy
- Non-Audit Services Policy
- Operational Risk Financial Requirement Strategy

- Recovery and Exit Planning
- Remuneration Policy
- Remuneration Deferral Policy
- Retirement Income Strategy
- Risk Management Strategy and Risk Appetite Statement
- Supplier Management Policy
- Tax Risk Management Framework
- Valuation of Investments Policy and Procedures
- Whistleblower Protection and Public Interest Disclosure Policy

Following are the details of CSC's regulatory requirements, our approach to financial management, risk management and our compliance program. Also outlined are the fraud control and internal audit measures CSC has in place.

Our regulatory requirements

CSC was established under the *Governance of Australian Government Superannuation Schemes Act 2011* (GAGSS Act) and is responsible for the superannuation schemes covered in this report. Our objectives and functions, as set out in CSC's governing legislation, are outlined on page 6. Our governing legislation establishes accountability arrangements for CSC, including annual reporting to Parliament and tabling of audited financial statements.

CSC holds both a Registrable Superannuation Entity (RSE) licence and an Australian Financial Services (AFS) licence, which means we are regulated by the Australian Prudential Regulation Authority (APRA) under the SIS Act and by the Australian Securities and Investments Commission (ASIC) under the *Corporations Act 2001*. CSC must uphold the conditions of both licences and comply with financial services law.

CSC is also bound by provisions of the various Acts and Deeds that establish and govern our individual schemes. Our regulated schemes must be managed and invested in accordance with the CSS Act, the PSS Act, the MilitarySuper Act, the PSSap Act and the ADF Super Act (see pages 7–8 for full Act titles), together with any relevant Trust Deeds under these Acts.

Our unregulated schemes are established by and must be administered in accordance with the 1922 Act, the DFRB Act, the DFRDB Act, the PNG Act and the ADF Cover Act, as relevant. See pages 7–8 for full Act titles.

Our financial management

CSC's finances are managed in accordance with the *Public Governance, Performance and Accountability Act 2013*, our governing legislation and relevant scheme legislation. A

Board-approved budget is in place and the Board has delegated its authority to individual staff to make and implement certain financial decisions.

Our risk management

Our Risk Management Strategy (RMS) sets out CSC's risk management principles, risk management framework and the underlying components and processes we use to identify, assess and mitigate risks.

Our Risk Appetite Statement (RAS) defines the degree of risk that CSC is prepared to accept in pursuit of its strategic objectives and business plan, having regard to the interest of current and future customers. The RAS and RMS meet APRA's requirements under Prudential Standard SPS 220 and both are reviewed at least annually and updated as required. The RAS was last reviewed in May 2026 and the RMS was last reviewed in August 2026.

Our compliance program

A detailed compliance program underpins CSC's Risk Management Strategy, satisfying the requirements of our RSE and AFS licences. Staff and certain service providers must regularly certify that they comply with all relevant legislative requirements, contractual provisions, regulatory policy and service standards, as well as any relevant licence conditions. Any instance of non-compliance is reported as required under the relevant regulatory regime.

CSC's Risk Committee oversees compliance reporting, including remediation of breaches. CSC has an Incident and Breach Management Policy that sets out how CSC manages incidents and breaches, including its related compliance obligations.

Fraud control

Strategies to manage the risks of fraud and corruption are set out in CSC's Fraud Control and Corruption Plan. The plan is reviewed annually and updated as required. The Fraud Control and Corruption Plan is available on the CSC website.

Internal audit

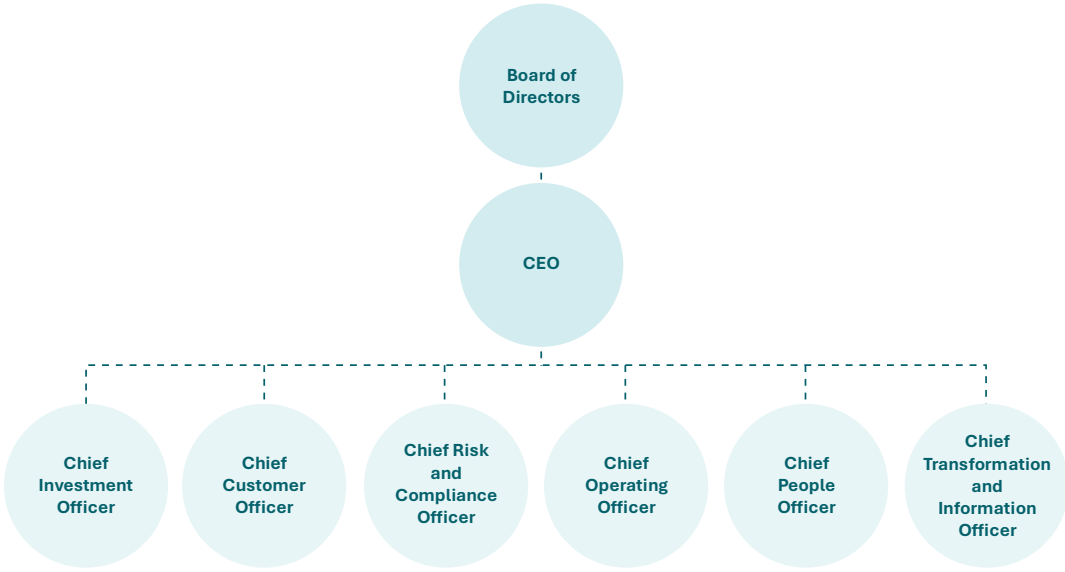
Internal audit provides independent assurance that an organisation's risk management, governance and internal control processes are operating effectively.

CSC operates an outsourced internal audit model where internal audit functions and services are provided by KPMG under contract. CSC maintains internal oversight of the internal audit function through the Chief Operating Officer portfolio. The internal audit function also has a direct reporting line to the Audit Committee and may raise matters directly with the Committee as necessary.

Internal audit undertakes approximately 10 audits per year spanning financial, operational and regulatory subjects. A plan of audit topics is prepared on an annual basis. However, audits to address changes to business priorities or to CSC's risk profile can be initiated at any time by either the Board or the Audit Committee. The Audit

Committee's annual internal audit plan takes into account previously identified risks, the results and recommendations of previous internal and external audits, legislative and regulatory changes and requirements, and anticipated business changes.

Our organisational chart



ARIA Co Pty Ltd

ARIA Co Pty Ltd is a wholly owned subsidiary of CSC through which CSC conducts certain investment activities. CSC's Board of Directors also functions as ARIA Co's Board of Directors.

Our human resources

CSC's workforce is structured into six core functions: Investments; Customer; Corporate; People; Transformation and Technology; and Legal, Risk and Governance – all heads of these sections reporting directly to the CEO.

Table 13. Total permanent employees in current report period, 2025–26

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	63	0	63	58	10	68	0	0	0	0	0	0	0	0	0	131
Qld	17	0	17	19	2	21	0	0	0	0	0	0	0	0	0	38
SA	4	0	4	3	1	4	0	0	0	0	0	0	0	0	0	8
Tas	0	0	0	2	0	2	0	0	0	0	0	0	0	0	0	2
Vic	37	1	38	40	2	42	0	0	0	0	0	0	0	0	0	80
WA	4	0	4	4	0	4	0	0	0	0	0	0	0	0	0	8
ACT	155	5	160	155	25	180	0	0	0	0	0	0	0	0	0	340
NT	0	0	0	2	0	2	0	0	0	0	0	0	0	0	0	2
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	1
Total	**280**	**6**	**286**	**284**	**40**	**324**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**610**

Table 14. Total temporary employees in current report period, 2025–26

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	9	0	9	15	0	15	0	0	0	0	0	0	0	0	0	24
Qld	3	0	3	2	0	2	0	0	0	0	0	0	0	0	0	5
SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	6	0	6	8	0	8	0	0	0	0	0	0	0	0	0	14
WA	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	1
ACT	11	0	11	5	0	5	0	0	0	0	0	0	0	0	0	16
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	1
Total	**29**	**0**	**29**	**32**	**0**	**32**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**61**

Table 15. Total permanent employees in previous report period, 2024–25

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	60	0	60	49	6	55	0	0	0	0	0	0	0	0	0	115
Qld	16	0	16	13	0	13	0	0	0	0	0	0	0	0	0	29
SA	3	0	3	4	0	4	0	0	0	0	0	0	0	0	0	7
Tas	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
Vic	37	1	38	29	2	31	0	0	0	0	0	0	0	0	0	69
WA	4	0	4	4	0	4	0	0	0	0	0	0	0	0	0	8
ACT	165	3	168	159	28	187	0	0	0	0	0	0	0	0	0	355
NT	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	1
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	1
Total	**286**	**4**	**290**	**259**	**37**	**296**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**586**

Table 16. Total temporary employees in previous report period, 2024–25

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	5	0	5	5	0	5	0	0	0	0	0	0	0	0	0	10
Qld	1	0	1	2	0	2	0	0	0	0	0	0	0	0	0	3
SA	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	1	0	1	4	0	4	0	0	0	0	0	0	0	0	0	5
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	5	0	5	1	0	1	0	0	0	0	0	0	0	0	0	6
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	1
Total	**13**	**0**	**13**	**12**	**1**	**13**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**26**

Our employees' remuneration

Remuneration Policy

CSC's Board-approved Remuneration Policy outlines its objectives and the structure of its remuneration agreements, including performance-based remuneration. CSC acknowledges the connection between good risk management, customer outcomes and compensation, incentive and remuneration. In this context, customers include current and potential customers and employers. The policy is designed to:

- support the level and services employees provide and the extent to which those services promote the achievement of CSC's corporate objectives
- protect the interests (including financial interests) and meet the reasonable expectations of beneficiaries
- drive and reward the best possible risk (both financial and non-financial) management practices and customer outcomes, ensuring that poor conduct and poor risk outcomes are recognised and not rewarded
- support relevant market conditions and the long-term financial soundness of CSC.

Our Remuneration Policy plays a key role in attracting and retaining talent by offering competitive pay, opportunities and working conditions that align with industry standards across superannuation and financial services. This is critical to enabling us to offer our customers the services, outcomes and investment performance that they expect.

Regulatory reforms

CPS 511 and FAR

The previous reporting period (2024–25) saw key regulatory shifts with the implementation of APRA's Prudential Standard CPS 511 Remuneration (CPS 511) and the commencement of the Financial Accountability Regime (FAR).

CPS 511 commenced for CSC from 1 July 2023 with enhanced disclosure requirements to be made from December 2025. It addresses recommendations made as part of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry to ensure transparency and accountability in relation to remuneration arrangements in the banking and superannuation sector.

CSC undertakes a comprehensive review and recalibration of its remuneration policy and framework annually, with a strong focus on how remuneration aligns with performance and risk, and has implemented the following to ensure CPS 511 compliance:

- Our Remuneration Policy and framework is designed to include non-financial performance measures like behaviour and risk ratings.

- We have enhanced reporting to our People and Governance Committee and Board. The Chair of our Risk Committee and the Chief Risk and Compliance Officer also meet with the People and Governance Committee to enable risk to be appropriately reflected in remuneration outcomes.
- Our Remuneration Deferral Policy sets out our approach to the deferral of variable remuneration to help prevent short-term rewards where long-term risks may persist.
- An annual review and assessment of the framework and an externally facilitated review every three years.

Similarly, the FAR, which came into effect on 15 March 2025, established our Accountability and Consequence Management Framework. This sets out the consequences for adverse events for an accountable person, the Executive team and the Board of Directors, depending on the level of contribution to the event and actions taken to mitigate outcomes.

In anticipation of the FAR's commencement, CSC proactively developed accountability maps and accountability statements, which are reviewed regularly. CSC has also reinforced internal governance structures to ensure all 'accountable persons' understand and adhere to their obligations, fostering a culture of honesty, integrity and diligence across the organisation.

Gender equality

CSC is proud to have a diverse and dynamic workforce. Our people-first approach ensures that every decision about our workforce strengthens our ability to deliver excellent service and outcomes for our customers. CSC's Gender Equality Strategy emphasises our commitment to enhancing diverse representation across all levels of our workforce where our initiatives aim to foster the advancement of women into leadership positions and promote gender diversity across roles where underrepresentation exists.

CSC's Employer Statement – available on our website (Corporate Governance section, Diversity and Inclusion sub-section) – outlines our progress and initiatives targeted at addressing gender equality indicators, and reaffirms our commitment to a fair and equitable workplace.

CSC continues to comply with the *Workplace Gender Equality Act 2012* (WGEA) Reporting Program. A key development in the 2025–26 financial year was the selection of three targets under the WGEA's target-setting program.

Performance management

All employees are engaged under individual employment contracts. Employees set annual performance objectives and personal development plans to enhance skills and professional development, and to ensure that professional qualifications are maintained.

Our Performance and Development Policy outlines how our performance planning approach reinforces our commitment to building and sustaining a culture of strategically aligned performance and accountability. Actively planning and reviewing the

performance of our employees happens throughout the year with a formal review taking place at the end of the financial year.

Employees are eligible for at-risk variable remuneration consideration only where they satisfy all three performance, behaviour and risk gateway requirements:

- a performance rating of Fully Effective Performance or above
- a behaviour rating of Consistently or above
- an Achieved rating for the employee's risk objective.

The behaviour and risk gateways act as conduct controls to ensure variable remuneration does not reward outcomes achieved in a way that is inconsistent with CSC's values, Code of Conduct, risk management expectations or customer outcomes

The remuneration process is designed to encourage behaviour that aligns with CSC's values and that supports:

- protecting the interests, and meeting the reasonable expectations, of customers
- the long-term financial soundness of CSC and its subsidiaries
- CSC's risk management framework
- the importance CSC places on remuneration objectives that are clear, transparent, equitable and objectively determined.

Remuneration arrangements

Our remuneration arrangements for all employees specify measures of performance, a mix of fixed and at-risk variable remuneration components, and outline timing and eligibility requirements relating to an employee's role within the organisation.

In determining variable remuneration for an individual, the Board of Directors considers investment performance, corporate performance, individual performance and adherence to CSC's values. Individual performance is measured relative to the achievement of key individual performance objectives agreed at the start of each performance year.

Investment performance is measured relative to the achievement of the published return target of the default investment option over a rolling three-year period. Corporate performance is measured relative to the achievement of the strategic and operational targets agreed by and reported to the Board of Directors. At-risk variable remuneration is made at the discretion of the Board of Directors.

Employee salaries are benchmarked against the Financial Institutions Remuneration Group's (FIRG) market surveys. FIRG is a not-for-profit association of more than 140 banking and financial services customer organisations that share anonymous remuneration data to identify market levels and trends. CSC uses this data to determine if our employees are already paid at market levels or whether a salary adjustment is needed for CSC to remain a competitive employer. Our CEO has final approval of the pool of recommended fixed salary increases for employees. The Board directly

determines the remuneration of the CEO and has oversight over Executive remuneration, with the option of seeking external expert assistance as necessary.

As provided by the legislation establishing CSC – the GAGSS Act – the Remuneration Tribunal determines the remuneration of CSC directors, including for members of the Audit Committee and Reconsideration Committee. Remuneration is shown in the following tables.

Table 17. Remuneration of key CSC management personnel, 2025–26

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits	Termination benefits $	Total remuneration $	Of which relates to membership of the Audit Committee $
		Base salary $	Bonuses $	Other benefits and allowances $	Superannuation contributions $	Long-service leave $			
Juliet Brown	Director	85,889	-	-	10,307	-	-	96,196	10,411
Melissa Donnelly	Director	81,294	-	-	12,519	-	-	93,813	5,425
Lee Goddard	Director	89,081	-	-	10,690	-	-	99,771	5,146
Emilio Gonzalez	Director (from 24 October 2025)	56,830	-	-	8,752	-	-	65,582	5,302
Andrea Hall	Director	95,174	-	-	11,421	-	-	106,595	20,811
Jacqueline Hey	Director	76,593	-	-	9,191	-	-	85,784	-
David Mulhall	Director	88,408	-	-	10,609	-	-	99,017	5,265
Arundhati Tandel	Director	76,593	-	-	9,191	-	-	85,784	-
Janet Torney	Chair	160,113	-	-	19,214	-	-	179,327	-
Catharina Armitage	Chief People Officer	380,539	91,958	-	45,136	19,997	-	537,630	-
Rob Firth	Chief Risk Officer (until 4 July 2025)	5,519	-	-	850	-	-	6,369	-
Damian Hill	Chief Executive Officer	945,280	206,486	115,298	33,553	24,283	-	1,324,900	-
Andrew Matuszczak	Chief Transformation and Information Officer	595,993	125,906	-	40,398	21,778	-	784,075	-
Adam Nettheim	Chief Customer Officer	425,558	102,982	-	43,141	14,716	-	586,397	-
Alison Tarditi	Chief Investment Officer	921,591	897,924	174,480	33,334	52,405	-	2,079,734	-
Nevein Versace	Chief Risk and Compliance Officer (from 18 August 2025)	398,816	109,851	-	72,478	5,432	-	586,577	-
Andy Young	Chief Operating Officer	593,731	125,117	29,700	43,866	11,349	-	803,763	-

Bonuses include both cash and deferred amounts of variable remuneration. The deferred component is discounted to present value using the Reserve Bank of Australia bond rate for the period of deferral. Other benefits and allowances include transitional payments for the performance period ended 30 June 2026 and carparking benefits.

Table 18. Other highly paid staff, 2025–26

Total remuneration bands	Number of other highly paid staff	Short-term benefits			Post-employment benefits	Other long-term benefits	Average termination benefits $	Average total remuneration $
		Average base salary $	Average bonuses $	Average other benefits and allowances $	Average superannuation contributions $	Average long-service leave $		
$265,000-$270,000	1	211,854	24,945	-	28,352	4,585	-	269,737
$270,001-$295,000	8	210,854	25,645	6,085	30,337	7,964	-	280,885
$295,001-$320,000	12	217,981	41,816	2,127	35,576	8,196	-	305,696
$320,001-$345,000	6	251,020	37,019	-	34,891	11,491	-	334,421
$345,001-$370,000	4	279,535	20,711	8,487	35,751	9,083	-	353,568
$370,001-$395,000	3	279,464	44,833	-	35,769	15,992	-	376,057
$395,001-$420,000	5	250,036	84,155	17,120	43,657	10,977	-	405,945
$420,001-$445,000	1	326,240	56,280	-	37,108	10,507	-	430,135
$445,001-$470,000	1	253,278	156,210	-	46,172	12,122	-	467,782
$470,001-$495,000	2	341,351	79,582	-	40,927	19,441	-	481,302
$495,001-$520,000	3	378,446	75,195	-	41,715	10,861	-	506,218
$520,001-$545,000	1	352,377	102,036	-	66,961	5,290	-	526,664
$545,001-$570,000	0	-	-	-	-	-	-	-
$570,001-$595,000	0	-	-	-	-	-	-	-
$595,001-$620,000	0	-	-	-	-	-	-	-
$620,001-$645,000	0	-	-	-	-	-	-	-
$645,001-$670,000	1	307,970	291,197	-	52,377	14,821	-	666,366
$670,001-$695,000	4	329,709	286,250	-	48,594	18,113	-	682,666
$695,001-$720,000	0	-	-	-	-	-	-	-
$720,001-$745,000	0	-	-	-	-	-	-	-
$745,001-$770,000	2	360,902	325,774	-	48,951	18,303	-	753,930
$770,001-$795,000	0	-	-	-	-	-	-	-
$795,001-$820,000	0	-	-	-	-	-	-	-
$820,001-$845,000	1	406,458	367,967	-	47,975	13,571	-	835,970
$845,001-$870,000	0	-	-	-	-	-	-	-
$870,001-$895,000	1	430,850	369,471	10,171	49,914	19,857	-	880,263
$895,001-$920,000	1	451,323	385,285	-	45,681	22,004	-	904,293
$920,001-$945,000	0	-	-	-	-	-	-	-
$945,001-$970,000	1	474,545	414,123	-	45,317	24,987	-	958,972
$970,001-$995,000	0	-	-	-	-	-	-	-
$995,001-$1,020,000	2	503,850	444,863	-	47,768	16,218	-	1,012,699
$1,020,001-$1,045,000	0	-	-	-	-	-	-	-

Work health and safety

CSC is committed to health and safety at work. Work health and safety initiatives delivered in 2025–26 financial year included the following:

- Regular review of work health and safety policies, procedures and risk assessments via the Health and Safety Committee.
- Annual workplace inspection via the Health and Safety Representatives.
- Annual flu vaccination program.
- Ergonomic assessments (including for those employees who work from home on a full-time basis) by a qualified consultant.
- Confidential support services for employees and eligible family customers through the Employee Assistance Program.
- Early intervention services to prevent and mitigate injuries or illnesses developing.
- Rehabilitation support services.
- Implementation of the Psychosocial Hazard Review project.
- An external inspection by Comcare on CSC's Risk Management Program deemed CSC-compliant on the day.

There were three accepted workers compensation claims in 2025–26. There were no notifiable incidents reported to Comcare.

Corporate sustainability

Ecologically Sustainable Development (ESD) Report 2025–26

1. CSC's approach to ecologically sustainable development principles

CSC is committed to applying sustainability principles in a disciplined and proportionate way, consistent with its purpose of building, supporting and protecting better retirement outcomes for customers. During 2025–26 CSC's approach to corporate sustainability was guided by its Board-approved Sustainability Policy, which provides a consistent framework for considering sustainability-related matters.

During the reporting period CSC conducted its corporate operations with regard to the ecologically sustainable development principles in section 3A of the *Environment Protection and Biodiversity Conservation Act 1999*. CSC's approach balances long-term economic, environmental and social considerations, manages risks to prevent environmental harm, and supports sustainability for future generations where this is consistent with CSC's purpose, statutory obligations and Board-approved policy settings.

While biodiversity generally extends beyond CSC's direct operational sphere of influence, CSC recognises the importance of disciplined consideration of environmental impacts

where they are relevant to CSC's operations, statutory obligations, stakeholder expectations or Board-approved sustainability appetite.

CSC is committed to minimising its environmental footprint through responsible management of its facilities, resources and other corporate activities, such as:

- Implementing initiatives aimed at reducing energy consumption and waste generation across its offices. These initiatives include a transition to energy-efficient lighting and equipment, recycling programs, hybrid and remote work arrangements, and a travel policy that requires staff to consider suitable alternatives before undertaking air travel.
- Supporting practical awareness of environmentally responsible workplace behaviours through ordinary business channels, including communications, operational guidance and business-owner-led initiatives.
- Ensuring relevant sustainability and environmental matters are considered through CSC's existing compliance, risk, governance and reporting frameworks, including the Board-approved Sustainability Policy.

2. Contribution of CSC's outcomes to ESD

CSC's agreed government outcome is to provide 'retirement and insurance benefits for scheme customers 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'. In pursuing this outcome during the reporting period CSC contributed to ecologically sustainable development through the promotion of environmentally responsible corporate practices and efficient resource management.

During 2025–26 CSC continued to focus on practical sustainability measures within its operational control. These included continued participation in Whole-of-Australian-Government renewable electricity procurement arrangements, ongoing use of energy-efficient plug-in hybrid fleet vehicles, energy efficiency improvements in the Canberra office, continued use of coffee cup recycling stations and awareness activities supporting recycling and more efficient electricity use. CSC also continued to use hybrid working and virtual meeting technology where appropriate to reduce unnecessary travel.

3. Environmental effects of CSC's corporate activities

During the reporting period CSC's corporate activities had a limited direct environmental footprint, reflecting its primarily office-based operations. However, CSC acknowledges that its corporate functions contribute to environmental impacts through energy use, waste generation, water consumption and business travel.

CSC tracks relevant resource consumption, emissions and waste data to support annual reporting, inform operational decision making and identify practical opportunities for improvement.

CSC seeks to comply with applicable environmental requirements and manage resources responsibly in its day-to-day operations.

CSC also considers social sustainability risks, including modern slavery, through its broader governance, procurement and compliance frameworks, including supplier expectations and relevant reporting obligations.

4. Detail on CSC's measures to minimise environmental impact of its corporate activities

CSC has implemented a range of measures to minimise the environmental impact of its corporate activities during the reporting period:

Governance: CSC's Board-approved Sustainability Policy provides the primary framework for considering sustainability-related matters across CSC. The policy requires sustainability-related initiatives to be assessed by reference to their materiality to CSC's inventoried capitals, CSC's impacts on people, planet and society, and any relevant Board Risk Appetite. Implementation and reporting under the policy are delegated to the CEO, with execution through existing business-owner and governance arrangements.

Resource efficiency initiatives: CSC continued to use energy-efficient technologies and practices in its office environments, including sensor lighting, power-saving settings for monitors, printers and meeting room equipment, efficient heating and cooling systems, and water-saving measures. In 2025–26 CSC's Canberra office also benefited from an energy efficiency upgrade involving a low-load air conditioning unit designed to reduce power consumption during low-demand periods.

Recycling and waste reduction: CSC continued recycling and waste-reduction initiatives across its offices. In the Canberra office coffee cup recycling stations reduced disposable cups sent to landfill, and improved waste measurement provided a baseline for better understanding landfill and recycling outcomes.

Travel and hybrid and remote work: CSC continued to encourage the use of virtual meeting technology and flexible work arrangements where appropriate, including to reduce avoidable business travel.

Modern slavery and ethical supply chains: CSC considers modern slavery and ethical supply chain risks through its procurement, compliance and supplier governance arrangements, including relevant supplier expectations and reporting obligations.

Climate and emissions reporting: CSC monitors relevant operational emissions data for reporting purposes and continues to assess practical emissions reduction initiatives. During 2025–26 CSC progressed its emissions reporting activities and continued to monitor Commonwealth climate-related reporting requirements.

These measures are designed to minimise CSC's direct environmental footprint and support the organisation's commitment to ecologically sustainable development.

5. Mechanisms for reviewing and increasing effectiveness of measures

CSC employs several mechanisms to regularly review and enhance the effectiveness of its environmental sustainability measures:

Governance and stakeholder engagement: CSC reviews sustainability-related matters through existing governance, risk, compliance and business-owner processes. This includes Board and Committee consideration where appropriate and reporting under the

Sustainability Policy, and operational review by accountable business areas such as Property Services and Finance.

Continuous improvement processes: CSC considers practical initiatives to reduce its environmental impact where they are proportionate, supported by evidence and consistent with CSC's purpose, statutory obligations, Best Financial Interests Duty and Board-approved risk appetite.

Awareness and communication: CSC supports staff awareness of practical workplace sustainability behaviours through ordinary internal communication channels and targeted initiatives.

Through these mechanisms CSC supports a disciplined, transparent and proportionate approach to environmental management and ecologically sustainable development, aligned with its Board-approved Sustainability Policy and ordinary governance framework.

APS Net Zero 2030 emissions reporting

APS Net Zero 2030 is the government's policy for the Australian Public Service (APS) to reduce its greenhouse gas emissions to net zero by 2030 and transparently report on its emissions. As part of this, corporate and non-corporate Commonwealth entities are required to report on their operational greenhouse gas emissions. This reporting applies only to our corporate activities and excludes our investment activities.

The below two tables were generated by the Department of Finance based on data we supplied. CSC did not have visibility of the detailed calculation methodology or calculation workings and therefore performed a reasonableness sense-check of the resulting metrics.

The Greenhouse Gas Emissions Inventory presents greenhouse gas emissions over the 2025–26 period. Results are presented on the basis of carbon dioxide equivalent (CO2-e) emissions. Greenhouse gas emissions reporting has been developed with methodology that is consistent with the Whole-of-Australian-Government approach as part of the APS Net Zero 2030 policy. Not all data sources were available at the time of the report and adjustments to baseline data may be required in future reports.

Table 19. Greenhouse Gas Emissions Inventory – location-based method 2025–26

Emission source	Scope 1 t CO2-e	Scope 2 t CO2-e	Scope 3 t CO2-e	Total t CO2-e
Electricity (location-based approach)	N/A	257.22	12.06	269.28
Natural gas	0.00	N/A	0.00	0.00
Solid waste	0.00	N/A	29.97	29.97
Refrigerants	0.00	N/A	N/A	0.00
Fleet and other vehicles	0.67	N/A	0.17	0.84
Domestic commercial flights	N/A	N/A	91.46	91.46
Domestic hire car	N/A	N/A	0.68	0.68
Domestic travel accommodation	N/A	N/A	37.84	37.84
Other energy	0.00	N/A	0.00	0.00
Total	**0.67**	**257.22**	**172.18**	**430.07**

Notes on the table

- Scope 1, Scope 2, Scope 3 and Total emissions are presented as tonnes carbon dioxide equivalent (t CO2-e).
- Electricity emissions are calculated using the location-based method.
- Refrigerants are being phased out and are an optional source in 2025–26 emissions reporting. See the Emissions Reporting Framework | Department of Finance for more details.

The electricity emissions reported above are calculated using the location-based approach. When applying the market-based method, which accounts for activities such as GreenPower, purchased large-scale generation certificates and/or being located in the Australian Capital Territory (ACT), the total emissions for electricity are in Table 20:

Table 20. Electricity Greenhouse Gas emissions 2025–26

Emission source	Scope 2 t CO2-e	Scope 3 t CO2-e	Total t CO2-e	Electricity kWh
Electricity (location-based approach)	257.22	12.06	269.28	401,904.58
Market-based electricity emissions	64.09	8.71	72.79	79,113.45
Total renewable electricity	n/a	n/a	n/a	322,791.14
Renewable Power Percentage	n/a	n/a	n/a	69,489.31
Jurisdictional Renewable Power	n/a	n/a	n/a	253,301.84
GreenPower	n/a	n/a	n/a	0.00
Large-scale generation certificates	n/a	n/a	n/a	0.00

Notes on the table

- The table above presents emissions related to electricity usage, using both the location-based and the market-based accounting methods.
- Scope 2, Scope 3 and Total emissions are presented as tonnes carbon dioxide equivalent (t CO2-e). Electricity data is reported in kilowatt hours (kWh).
- Total renewable electricity excludes behind the-meter solar other than generation used to create large-scale generation certificates.
- The Renewable Power Percentage accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target.
- Jurisdictional Renewable Power refers to the Jurisdictional Renewable Power Percentage (JRPP). Currently, the ACT is the only jurisdiction with a JRPP.

Section 5

Our Investments

Our Investments

Introduction

CSC manages and invests five regulated schemes:

- CSS (Commonwealth Superannuation Scheme)
- PSS (Public Sector Superannuation Scheme)
- MilitarySuper (Military Superannuation and Benefits Scheme)
- PSSap (Public Sector Superannuation accumulation plan, including CSCri: Commonwealth Superannuation Corporation retirement income)
- ADF Super (Australian Defence Force Superannuation Scheme)

This section details how investment performance of these schemes affects a customer's superannuation benefit.

It also provides CSC investment performance to 30 June 2026, together with information on our investment approach, strategy, internal governance, environmental, social and governance practices as they relate to investments and investment options.

How investment performance affects a customer's benefit

The impact of investment performance on a customer's benefit differs across our schemes. Investment returns do not affect PSS contributing customers' final benefits. Investment performance has a greater impact on CSS contributing and Deferred Benefit customers and on PSS Preserved Benefit customers because in those circumstances performance directly influences a customer's final benefit.

In some circumstances, investment returns also affect the Australian Government's financial outlays on customers' benefits, such as in the case of PSS contributing customers.

For MilitarySuper, investment performance directly affects the final benefit for all customers, together with a small part of the employer benefit for contributing customers.

Details of each regulated scheme's structure is found in the Investment Options and Risk Product Disclosure Statement: https://www.csc.gov.au/Customers/Advice-and-resources/Product-Disclosure-Statement/

The 1922, Defence Forces Retirement Benefits (DFRB), Defence Force Retirement and Death Benefits (DFRDB) and Papua New Guinea (PNG) schemes are unfunded superannuation schemes. While CSC administers these schemes, CSC does not invest monies for these schemes.

Our investment approach

We aim to achieve consistent long-term returns within a structured risk framework by managing and investing each scheme's investment option with the goal of achieving its stated investment objective within strictly defined risk limits. Each scheme is managed in a way that allows for payment of monies to meet customer benefit payments and to achieve equity among all customers, as well as exercising care and diligence to maintain and grow the assets of the schemes.

CSC jointly invests the schemes in one pooled investment trust, providing economy-of-scale benefits to customers of each regulated scheme.

Professional external investment managers are responsible for managing investments, which enables investment options in each scheme to gain exposure to a number of different asset classes. Target asset allocation and rebalancing ranges are set for each investment option. These allocations and ranges are outlined in Table 21 on page 72.

Our investment strategy

Our investment strategy focuses on providing financial adequacy in retirement for all scheme customers. The level of risk taken focuses on maximising the likelihood of achieving this outcome for all CSC customers.

This means that CSC-managed investment portfolios, relative to those managed by other superannuation fund providers, should preserve more wealth through periods of negative market returns and capture a significant proportion, but not all, of the returns available through very strong market conditions. Note, however, that through periods of strong market returns, CSC customers' investment returns should comfortably exceed targeted objectives.

Over the full investment horizon (that is, the length of time an investor expects to hold an investment product), as more capital is preserved in weak markets and most of the returns are captured in strong markets, we expect the cumulative return to customers will be very competitive and the volatility of returns will be reduced.

Our investment governance

Our investment governance focuses on managing and pricing investment risks efficiently. CSC's primary objective is to achieve stated investment objectives within strictly defined risk limits.

Our Board has established a comprehensive investment governance framework, which includes a clear statement of both Board and Executive responsibilities.

The CSC Board

Our Board is responsible for the sound and prudent management of the assets of CSC's schemes. It sets, reviews and oversees the investment strategy, mission statement and core investment beliefs. It approves and monitors investment strategies for each investment option, agrees the budget and determines appropriate delegations.

To approve CSC's investment strategy, factors such as CSC's specific scheme-membership characteristics – including demographics, perceived organisational comparative advantages, scale (as measured by funds under management) and the broader investment environment – are all explicitly considered.

To approve an investment strategy for an individual investment option, the Board considers the objective, in terms of return and risk measures, and the investment horizon, in the context of these factors.

Our Board delegates management of investment activities to relevant customers of the Executive. Reports on approved investment policies, investment performance, liquidity, risk, external investment manager and portfolio activity, portfolio structure, capital allocation, stewardship activities and the risk budget are submitted and discussed at every Board meeting.

Our Investment team

Our Investment team advises the Board on investments, implements Board-approved strategies and manages all investments that fall within Board-approved delegations. The team is led by the Chief Investment Officer (CIO) and manages investments in a manner consistent with the Board's investment strategy, its decisions on asset allocation and its detailed investment policies.

Our Investment team performs two major functions:

- It executes investment strategy, option design and risk budget deployment, and monitors the evolving risks and opportunities for each fund as well as for broader financial markets.
- It identifies the most efficient implementation channels for investment strategies, where 'efficient' is defined as the highest prospective, net (of fees) return per unit of risk.

Both functions are fulfilled by specialist senior investment managers, supported by investment analysts, who report directly to the CIO.

Our Investment Services team

Our Investment Services team is led by the Chief of Investment Services. This position reports to CSC's Chief Operating Officer, who reports to the CEO. Responsibilities of the Investment Services team include:

- implementation of investment team decisions, in accordance with Board-approved delegations
- management of CSC's custodial relationship and its associated activities
- assurance that CSC's external investment managers comply with all CSC requirements
- conduct of operational due diligence.

Investment managers

Under scheme legislation, CSC is required to invest through external investment managers. On the recommendation of the CIO, the Board approves the appointment of 'investment-grade' managers who may be appointed at any time by CSC.

Investment managers are selected for their specific expertise and invest according to individual mandates set by CSC or other appointment terms that address our specific portfolio requirements. These mandates or appointments typically provide direction to the type of investments to be held, investment restrictions, and target rates of return and risk limits.

External investment managers are paid fees that are designed to align the interests of our external managers with that of our customers, to encourage portfolio decisions that prioritise *rewarded* risk taking.

Fees reflect investment costs applicable to each asset class category and the investment style of each manager.

Environmental, social and governance factors

CSC's primary investment objective is to maximise long-term returns above inflation to provide reliable income for customers in retirement. We expect to have impact on real world outcomes too from positive externalities of investing well in high-quality assets to grow your retirement savings.

To access the latest up-to-date information on CSC's stewardship and climate risk management approaches please visit Investment quality and sustainability (csc.gov.au).

Our investment options

Table 21. CSC investment options at 30 June 2026

Investment option (scheme)	Objective	Risk		Minimum suggested time frame	Target asset allocation including CSCri TRIS (ranges)	CSCri standard target asset allocation (ranges)
		Band	Label			
Cash (CSS, PSS, MilitarySuper, PSSap, CSCri and ADF Super)	To preserve capital and earn a pre-tax return close to that of the Bloomberg AusBond Bank Bill Index by investing 100% in cash assets	One	Very low	1 year	Cash 100% (0–100%)	Cash 100% (0–100%)
Income Focused (MilitarySuper, PSSap, CSCri and ADF Super)	To outperform the CPI by 1.5% per annum, after fees and taxes, over 10 years	Four	Medium	5 years	Cash 23.25% (10–100%) Fixed interest 31.75% (10–100%) Equities 23.75% (0–40%) Property 4.75% (0–35%) Infrastructure 10.5% (0–35%) Alternatives 6% (0–70%)	Cash 23.25% (10–100%) Fixed interest 31.75% (10–100%) Equities 23.75% (0–40%) Property 4.75% (0–35%) Infrastructure 10.5% (0–35%) Alternatives 6% (0–70%)
Default Fund (CSS/PSS), Balanced (MilitarySuper and CSCri), MySuper Balanced (PSSap and ADF Super)	To outperform the CPI by 3.5% per annum, after fees and taxes, over 10 years	Six	High	10 years	Cash 13% (0–65%) Fixed interest 12.25% (0–65%) Equities 58% (15–75%) Property 3.75% (0–25%) Infrastructure 7.5% (0–25%) Alternatives 5.5% (0–30%)	Cash 19.5% (0–65%) Fixed interest 20.25% (0–65%) Equities 41.5% (15–75%) Property 4.25% (0–25%) Infrastructure 8.5% (0–25%) Alternatives 6% (0–30%)
Aggressive (MilitarySuper, PSSap, CSCri and ADF Super)	To outperform the CPI by 4.0% per annum, after fees and taxes, over 10 years	Six	High	15 years	Cash 8.5% (0–35%) Fixed interest 3.75% (0–35%) Equities 72.5% (20–95%) Property 4.75% (0–50%) Infrastructure 7.5% (0–50%) Alternatives 3% (0–70%)	Cash 11% (0–35%) Fixed interest 13.75% (0–35%) Equities 58.5% (20–95%) Property 5.25% (0–50%) Infrastructure 8% (0–50%) Alternatives 3.5% (0–70%)

Note: *Investment risk bands and labels (used by CSC's standard risk measure) are explained in the Investment Options and Risk booklet, which is part of each scheme's Product Disclosure Statement (PDS).*

Our investment performance

Investment performance for each option is calculated after fees and taxes (please note that past performance is no indication of future performance).

Performance is calculated based on the actual value of investment option assets as at the end of the quoted performance period (which is 1 July 2025 to 30 June 2026 for this report) and is indicative only of the returns that a customer achieves on their investment in an investment option over that period.

Earning rates (for CSS and PSS) and unit prices (for MilitarySuper, PSSap, CSCri and ADF Super) are used for daily customer transactions and will determine the actual performance a customer achieves based on the timing and amount of their individual transactions. The earning rates and unit prices are determined based on the best available information at the time they are declared. Valuations are incorporated into the calculations for earning rates and unit prices as soon as practical after they are received.

Using earning rates or unit prices to calculate investment performance for the 1 July 2025 to 30 June 2026 period will provide similar – but not identical – returns to the investment performance figures published below in Tables 22–28.

Analysis of CSC's investment performance is included in our Chair's report on page 10 and in the Annual Performance Statements on page 15.

Table 22. CSS investment performance to 30 June 2026

	Objective	1 year %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	15 years % pa
Australian inflation[15]		4.0	3.3	4.4	3.6	3.1	2.7
Investment option							
Default Fund	To outperform the CPI by 3.5% per annum, after fees and taxes, over 10 years	10.3	10.1	7.1	7.5	7.9	8.0
Cash Investment Option	To preserve capital and earn a pre-tax return close to that of the Bloomberg AusBond Bank Bill Index by investing 100% in cash assets	3.6	3.9	2.9	2.2	2.0	2.2

Note: Figures are rounded to one decimal place.

[15] Sourced from Australian Bureau of Statistics (July 2026), Table 17. All groups CPI; Australia.

Table 23. PSS investment performance to 30 June 2026

Objective		1 year %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	15 years % pa
Australian inflation[16]		4.0	3.3	4.4	3.6	3.1	2.7
Investment option							
Default Fund	To outperform the CPI by 3.5% per annum, after fees and taxes, over 10 years	10.1	9.9	6.9	7.3	7.8	7.9
Cash Investment Option	To preserve capital and earn a pre-tax return close to that of the Bloomberg AusBond Bank Bill Index by investing 100% in cash assets	3.5	3.8	2.8	2.1	1.9	2.1

Note: Figures are rounded to one decimal place.

Table 24. MilitarySuper investment performance to 30 June 2026

Objective		1 year %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	15 years % pa
Australian inflation[17]		4.0	3.3	4.4	3.6	3.1	2.7
Investment option							
Cash	To preserve capital and earn a pre-tax return close to that of the Bloomberg AusBond Bank Bill Index by investing 100% in cash assets	3.5	3.8	2.8	2.1	1.9	2.1
Income Focused	To outperform the CPI by 1.5% per annum, after fees and taxes, over 10 years	6.6	6.5	4.7	4.9	5.4	5.4
Balanced (Default)	To outperform the CPI by 3.5% per annum, after fees and taxes, over 10 years	10.1	10.0	7.0	7.3	7.8	7.6
Aggressive	To outperform the CPI by 4.0% per annum, after fees and taxes, over 10 years	11.0	11.0	8.0	9.2	9.6	9.2

Note: Figures are rounded to one decimal place.

[16] Sourced from Australian Bureau of Statistics (July 2026), Table 17. All groups CPI; Australia.

[17] Sourced from Australian Bureau of Statistics (July 2026), Table 17. All groups CPI; Australia.

Table 25. PSSap investment performance to 30 June 2026

Objective		1 year %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	15 years % pa
Australian inflation[18]		4.0	3.3	4.4	3.6	3.1	2.7
Investment option							
Cash	To preserve capital and earn a pre-tax return close to that of the Bloomberg AusBond Bank Bill Index by investing 100% in cash assets	3.4	3.7	2.7	2.1	1.9	2.1
Income Focused	To outperform the CPI by 1.5% per annum, after fees and taxes, over 10 years	6.5	6.5	4.7	5.0	5.4	5.7
MySuper Balanced (Default)	To outperform the CPI by 3.5% per annum, after fees and taxes, over 10 years	10.0	9.9	6.9	7.3	7.7	7.9
Ancillary Balanced	To outperform the CPI by 3.5% per annum, after fees and taxes, over 10 years	9.9	9.8	6.9	7.2	7.7	7.9
Aggressive	To outperform the CPI by 4.0% per annum, after fees and taxes, over 10 years	11.0	11.0	8.0	9.2	9.6	9.5

Note: Figures are rounded to one decimal place.

Table 26. CSCri investment performance to 30 June 2026

Objective		1 year %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	13 years % pa
Australian inflation[19]		4.0	3.3	4.4	3.6	3.1	2.8
Investment option							
Cash	To preserve capital and earn a pre-tax return close to that of the Bloomberg AusBond Bank Bill Index by investing 100% in cash assets	4.0	4.4	3.2	2.4	2.2	2.3
Income Focused	To outperform the CPI by 1.5% per annum, after fees and taxes, over 10 years	7.5	7.5	5.2	5.6	6.0	6.0
Balanced (Default)	To outperform the CPI by 3.5% per annum, after fees and taxes, over 10 years	9.8	9.4	6.4	6.6	7.4	7.9
Aggressive	To outperform the CPI by 4.0% per annum, after fees and taxes, over 10 years	11.1	10.9	7.9	9.3	9.9	10.4

Note: Figures are rounded to one decimal place.

[18] Sourced from Australian Bureau of Statistics (July 2026), Table 17. All groups CPI; Australia.

[19] Sourced from Australian Bureau of Statistics (July 2026), Table 17. All groups CPI; Australia.

Table 27. CSCri TRIS investment performance to 30 June 2026

Objective		1 year %	3 years % pa	5 years % pa	7 years % pa	9 years % pa
Australian inflation[20]		4.0	3.3	4.4	3.6	3.2
Investment option						
Cash	To preserve capital and earn a pre-tax return close to that of the Bloomberg AusBond Bank Bill Index by investing 100% in cash assets	3.4	3.7	2.7	2.1	1.9
Income Focused	To outperform the CPI by 1.5% per annum, after fees and taxes, over 10 years	6.6	6.5	4.7	5.0	5.4
Balanced (Default)	To outperform the CPI by 3.5% per annum, after fees and taxes, over 10 years	9.9	9.9	6.9	7.3	7.6
Aggressive	To outperform the CPI by 4.0% per annum, after fees and taxes, over 10 years	10.9	11.0	8.1	9.3	9.5

Note: Figures are rounded to one decimal place.

Table 28. ADF Super investment performance to 30 June 2026

Objective		1 year %	3 years % pa	5 years % pa	7 years % pa	10 years % pa
Australian inflation[21]		4.0	3.3	4.4	3.6	3.1
Investment option						
Cash	To preserve capital and earn a pre-tax return close to that of the Bloomberg AusBond Bank Bill Index by investing 100% in cash assets	3.4	3.7	2.7	2.1	1.9
Income Focused	To outperform the CPI by 1.5% per annum, after fees and taxes, over 10 years	6.5	6.5	4.6	4.9	5.3
Balanced (Default)	To outperform the CPI by 3.5% per annum, after fees and taxes, over 10 years	9.9	9.8	6.8	7.1	7.6
Aggressive	To outperform the CPI by 4.0% per annum, after fees and taxes, over 10 years	10.9	10.9	7.9	9.1	9.5

Note: Figures are rounded to one decimal place.

[20] Sourced from Australian Bureau of Statistics (July 2026), Table 17. All groups CPI; Australia.

[21] Sourced from Australian Bureau of Statistics (July 2026), Table 17. All groups CPI; Australia.

Section 6

Our Superannuation Services

Our Superannuation Services

Help for our customers

We strive to provide superannuation services that are relevant, reliable and helpful to our customers. We want our customers to be able to make informed decisions about their superannuation and their future income needs.

We provide to our customers:

- factual information delivered in person, over the phone and by email
- secure access to online services (account balances, investment options, document management)
- education and general advice via public and in-house seminars and webinars
- information and general advice delivered person-to-person (known as 'one-to-one consultations')
- personal financial advice from Financial Advisers who are salaried CSC employees authorised to provide advice by Guideway Financial Services (ABN 46 156 498 538, AFSL 420367).

Our services to customers are described in more detail below.

Help for our employers

In addition to services for our customers, we also help our many employers to meet their superannuation responsibilities.

We provide to our employers:

- a CSC employer relationship manager who provides organisational-level support regarding superannuation
- training for payroll and HR staff, including salary for superannuation, superannuation contributions and choice of fund obligations
- an Employer Service Desk to answer employer-related questions about superannuation provision.

Seminars for customers

We delivered 609 seminars throughout the 2025–26 financial year, giving customers across the country access to important information and building their confidence to make informed and engaged decisions.

Webinars and online engagement remain the vehicles of choice when engaging with our customers.

In total, 31,873 customers attended CSC seminars; over 13,099 of these attendees were from our PSSap and ADF Super schemes.

Our seminars and webinars provide superannuation scheme-specific information as well as strategies for our customers to consider when preparing for their retirement. These modules include:

- Superannuation 101
- Planning for retirement
- Maximising retirement
- Structuring retirement
- Boost your super
- Understanding your insurance

Military one-to-one consultations

Our education team provides general advice on superannuation and retirement planning to individual military scheme customers. In 2025–26 we facilitated 4,534 one-to-one interactions with ADF personnel.

Consultations cover general advice relevant to individual customers, including how to contribute to superannuation, how to access superannuation at retirement, what benefit options are available and how superannuation is taxed. Educators have adapted an engagement framework to truly understand a customer's needs and aims in life before providing general advice.

PSSap and CSCri one-to-one consultations

Our Super and Retirement Specialist team provides general advice on superannuation and retirement planning to individual public service customers. In 2025–26 we facilitated 4,535 interactions in the form of one-to-one consultations.

The vast majority of sessions are conducted by video meeting, encouraging screen sharing and interaction. They are general advice meetings relevant to an individual customer's life stage or life event. They include a CSC-enhanced engagement process

and focus on enabling customers to gain a deeper understanding and self-serve. Topics include contributing to superannuation, retirement income strategies, transition to retirement, insurance options and investment choice. Written feedback references their deeper understanding of their superannuation and confidence to take action.

Personal financial advice

In 2025–26 our financial planning team met 1,596 customers, of which 819 received a personalised financial plan. Their plans included topics such as:

- How much do I need to retire?
- How can I plan for retirement?
- How long will my money last?
- How can I reduce debt?
- How can I personalise my insurance?
- How can I plan for lifestyle goals such as renovations and holidays?
- How can I achieve other long-term goals such as assisting children and leaving an inheritance?

Customers said they were generally very satisfied with the advice they received. Their written feedback referenced providing honest, practical, straightforward advice to solve complex financial issues. Many customers appreciated that their Financial Adviser was a salaried CSC employee who was not paid commissions for insurance, and that they were not required to sign up for an ongoing service.

Fee-for-service advice for customers

Personal financial advice has been provided to customers on a fee-for-service basis since CSC first offered advice in early 2013. Fee-for-service means customers only pay for the time their Financial Adviser takes to prepare and deliver their financial plan.

Intrafund advice service for customers

Intrafund advice has been provided to our PSSap, ADF Super and CSCri customers at no extra fee, with an increased focus since 2025. Intrafund advice is limited personal advice provided by CSC Financial Advisers relating to customers' existing CSC Superannuation accounts and funded through collective administration fees.

Our Financial Advisers are employed by CSC

CSC employs an Authorised Representative model in which our Financial Advisers are employed by CSC and business management is provided by CSC. Under this arrangement, CSC's Financial Advisers are authorised to provide advice by Guideway Financial Services (ABN 46 156 498 538, AFSL 420367). Guideway is a licensed financial

services business which supports CSC Financial Advisers to provide customers with specialist advice, education and strategies.

Salaried employees

Our Financial Advisers are salaried employees of CSC. Their performance is assessed on a combination of activity and quality metrics, including the number of customer appointments they conduct, the number of financial plans they deliver, their adherence to the Financial Adviser Standards and Ethics Authority (FASEA) code of ethics, CSC's values, and also customers' satisfaction levels with the service and advice they provide.

Help for our customers by phone, email and self-service

By phone

In 2025–26 we answered 242,561 phone calls from our customers, compared with 240,901 answered the previous financial year.

During 2025–26 Customer Engagement supported CSC customers through phone, email and self-service channels while advancing the organisation's digital-first service strategy. The team expanded digital adoption, improved service level performance, reduced repeat contacts and enhanced turnaround times across key customer interactions. Through workforce capability uplift, stronger operational performance and a continued focus on customer outcomes, Customer Engagement contributed to more efficient, accessible and customer-centred services for CSC customers.

During 2025–26 the most common reasons customers contacted CSC were retirement planning and benefit estimates, pension-related enquiries, retirement benefit applications, account access and digital support, Centrelink and DVA documentation requests, and investment-related transactions. Demand continued to reflect the ageing profile of CSC's defined benefit membership, with increasing numbers of customers seeking retirement information, benefit projections and assistance navigating retirement decisions. At the same time, Customer Engagement supported growing adoption of digital self-service channels, helping customers access information, complete transactions and manage their accounts online.

By email

Customers also requested general information about superannuation via email. In 2025–26 we replied to 134,130 emails from our customers, compared with 146,790 in the previous financial year.

Online access

CSC expanded its digital forms capability as part of its digital-first service strategy. New and enhanced digital forms for retirement and customer transactions simplified

customer journeys, improved data quality and reduced reliance on paper-based processes. Supported by ongoing improvements to Navigator and self-service channels, these initiatives enabled more customers to complete transactions online, contributing to a simpler, more efficient and customer-focused service experience.

DB claims increase

During 2025–26 the DB Claims team supported customers through complex life events including invalidity, retrospective invalidity, death benefit and early release claims. The team managed increasing claims volumes, particularly in retrospective invalidity and Defence-related claims, while continuing to improve customer outcomes and service delivery. The team improved claims outcomes through process simplification, enhanced customer communication, stronger quality assurance and continued progress in reducing historical retrospective invalidity backlogs. The claims team maintained a strong focus on supporting Defence customers transitioning from service, with most invalidity decisions completed prior to medical separation, while continuing to improve transparency, efficiency and the overall claims experience.

Workforce investment

The pace of operational delivery, transformation activity and workforce change highlighted the importance of employee wellbeing and resilience. Throughout the year, investment was made in staff engagement, mental health capability programs, leadership support and workforce initiatives to strengthen team resilience and maintain a positive employee experience.

Navigator portal

Engagement with the Navigator portal continued to strengthen over the 2025–26 financial year, building on the sustained growth achieved in previous years.

At 30 June 2026 total registrations for Navigator had reached 403,000, representing an increase of 36,000 and equating to 58% of CSC customers. Of these registered customers, approximately 370,000 accessed the platform at least once during the reporting period.

During the July 2025 CPI mailout more than 75,500 CPI documents were accessed via the portal, reflecting an increase of 14,000 compared to the previous year.

Throughout the year, the Continuous Improvement team delivered a range of enhancements to the platform, further improving functionality, usability and overall customer experience. These enhancements have enabled customers to more effectively navigate the portal and increased utilisation of self-service capabilities, including form submission, account establishment, document access and the use of planning tools.

Customer complaints

In 2025–26 we received a total of 7,046 complaints, an increase from 5,441 in 2024–25. This increase reflects continued focus on fostering a culture of recording, accurately capturing and resolving customer concerns across all service channels, as well as the

impact of the Defined Contribution (PSSap) system migration and associated Limited Service Period in February 2026.

Our frontline teams continue to embed a strong complaints-handling culture, in line with the principles outlined in ASIC Regulatory Guide 271: Internal Dispute Resolution, which has been in effect since October 2021. This regulatory framework is well established and remains central to our approach to managing customer feedback and ensuring transparency in our processes.

Further details on complaints data and trends can be found in the Our Superannuation Schemes section of this report on page 85.

We remain committed to listening to our customers and using feedback we receive to improve services we provide. In the 2025–26 financial year 77.37% of complaints were resolved within five days.

For complaints requiring a formal written response under regulatory timeframes, the average resolution time decreased from 31.55 days in 2024–25 to 28.32 days in 2025–26.

Insights gained through complaint analysis support continuous improvement across CSC, including enhancements to customer communications, staff capability and operational processes. Complaint data also assists in the early identification of potential systemic issues, helping to improve customer outcomes and service delivery.

Section 7

Our Superannuation Schemes

Our Superannuation Schemes

Introduction

We manage 11 superannuation schemes for current and former Australian Government employees and members of the Australian Defence Force. Our functions in relation to our superannuation schemes are set out in our governing legislation, outlined on page 6–8.

This section details our performance in relation to these functions for each scheme in 2025–26.

Scheme legislation and Trust Deeds

During the reporting period there were amendments to the following legislation and Trust Deeds:

CSS Act

- *Treasury Laws Amendment (The Survivors Law) Act 2026*: a minor amendment which requires CSC to release funds to the Commissioner of Taxation in respect of specified child abuse offences for the purpose of the Commissioner paying the amounts directly to victims.
- *Treasury Laws Amendment (Building a Stronger and Fairer Super System) Act 2026* to allow the release of funds to meet Div 296 Debts.

PSS Act

- *Treasury Laws Amendment (Building a Stronger and Fairer Super System) Act 2026* to allow the release of funds to meet Div 296 Debts.

DFRDB Act

- *Treasury Laws Amendment (Building a Stronger and Fairer Super System) Act 2026* to allow the release of funds to meet Div 296 Debts.

PSS Trust Deed

- *Superannuation Amendment (PSS Trust Deed) Instrument 2026 (No. 1)*: consequential amendments relating to Paid Parental Leave Amendment

PSSap Trust Deed

- *Superannuation Legislation (PSSAP Trust Deed) Amendment Instrument 2026 (No. 1)*: amendments to enable non-lapsing binding death benefit nominations, remove redundant provisions, and correct, simplify and consolidate a range of provisions.

Reviewing decisions and complaints

Decisions that we make are subject to both internal review – called the reconsideration process – and external review by the Australian Financial Complaints Authority and Administrative Review Tribunal.

We have formal procedures to resolve customer complaints. These procedures comply with the *Corporations Act 2001* and ASIC Regulatory Guide 271 (Internal Dispute Resolution). Our procedures also reflect the guiding principles of Standards of Australia AS ISO 10002–2006: Customer Satisfaction, guidelines for complaints handling in organisations.

The number of complaints received in 2025–26 is shown with each superannuation scheme report on the following pages. We also received one complaint where the complainant was unable to be identified.

Complaints from unidentified customers

During the 2025–26 financial year CSC received one complaint from an unidentified customer. The complaint related to availability of information to apply for a PSSap account. We were unable to identify an individual to associate the complaint with a specific customer.

Table 29. Complaints from unidentified sources

	2023–24	2024–25	2025–26
Complaints received	4	1	1

Complaints in CSS (including 1922 and PNG)

Complaints for CSS customers were primarily driven by communication issues, including difficulties contacting CSC, wait times and delayed responses. Other complaint topics included access to Navigator and interactive voice response (IVR) services, and tax-related matters such as PAYG, CPI and tax-withholding obligations.

Table 30. Complaints received in CSS

	2023–24	2024–25	2025–26
Complaints received	539	455	593

Complaints in PSS

For PSS customers, complaints commonly related to obtaining information about benefit entitlements, claim processes and scheme rules. Customers also raised concerns about delays in communication, and access issues with Navigator and IVR services.

Table 31. Complaints received in PSS

	2023–24	2024–25	2025–26
Complaints received	1451	1775	2026

Complaints in MilitarySuper

MilitarySuper complaints were mainly associated with accessing and understanding benefits, including conditions of release, rollover restrictions, retrospective invalidity claims and benefit outcomes. Other matters related to Navigator and IVR access.

Table 32. Complaints received in MilitarySuper

	2023–24	2024–25	2025–26
Complaints received	1165	1828	1990

Complaints in PSSap

The largest complaint topics for PSSap customers were insurance, the online services portal and customer service. Other complaint causes included accessing superannuation and contributions, particularly delays in withdrawals, rollovers, benefit payments and contribution allocation.

Table 33. Complaints received in PSSap

	2023–24	2024–25	2025–26
Complaints received	873	895	1772

Complaints in CSCri

CSCri complaints related to communication, online services and benefit payments. Other complaint causes included delays with rollovers and income stream transactions, and difficulties accessing account information and functionality through Navigator.

Table 34. Complaints received in CSCri

	2023–24	2024–25	2025–26
Complaints received	38	75	72

Complaints in ADF Super

For ADF Super, complaint topics centred on contributions, communication and online services. Customers also raised concerns about delays in salary sacrifice and contribution allocation, difficulties obtaining updates, and access to account information through Navigator.

Table 35. Complaints received in ADF Super

	2023–24	2024–25	2025–26
Complaints received	44	54	126

Complaints in ADF Cover

ADF Cover complaints were largely associated with communication, invalidity reviews and pension payments. Other concerns included delays in claims and review processes, difficulty contacting case managers, and access issues with Navigator and online account services.

Table 36. Complaints received from ADF Cover customers

	2023–24	2024–25	2025–26
Complaints received	63	84	108

Complaints in DFRDB (including DFRB)

DFRDB complaints related to communication, online services and pension payments. Other complaint causes included call wait times and IVR functionality, Navigator access, pension payment concerns, tax obligations and retrospective invalidity claim processes.

Table 37. Complaints received in DFRDB

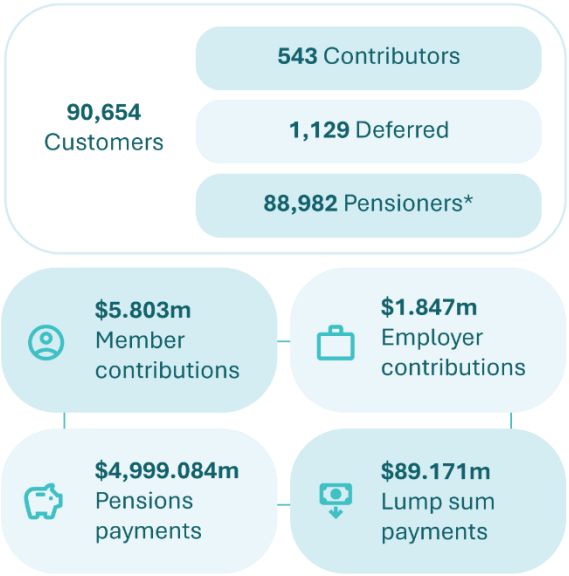
	2023–24	2024–25	2025–26
Complaints received	270	270	408

CSS

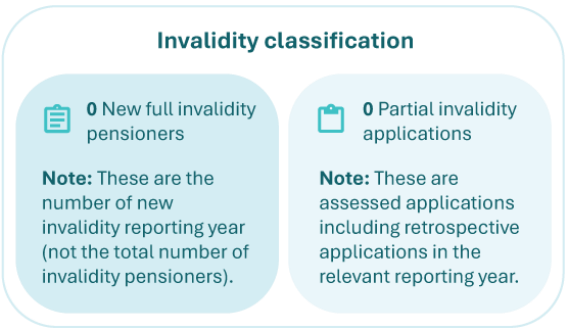
Commonwealth Superannuation Scheme

CSS is a public sector scheme established on 1 July 1976 by the CSS Act. It closed to new customers on 30 June 1990. CSS is a hybrid scheme (part accumulation, part Defined Benefit) where benefits derive from customer and employer-financed benefits.

The accumulation benefit is formed by customer and productivity contributions, and fund earnings. The Defined Benefit is the employer-financed amount, which in most cases is paid as a lifetime non-commutable indexed pension.



*Pensioners represents the number of pension accounts, not the exact number of pensions (e.g. multiple recipients such as a spouse and orphan children may be paid under one account).



CSS administration

Contributions

Contributing customers can make both basic and supplementary contributions into CSS from their after-tax income. They can also voluntarily contribute into PSSap.

Employer productivity contributions

Most employers typically pay a fortnightly productivity contribution into CSS. The amount is based on a customer's superannuation salary. Some customers may also have an unfunded productivity component that relates to contributions before 1 July 1990.

Benefit payments

Lump sums and pensions

Generally, benefits cannot be paid until minimum retirement age is reached. However, benefits may become payable if a customer is retrenched, becomes totally and permanently incapacitated, or dies.

Note: Lump sums are paid from the CSS fund and by the Australian Government.

Invalidity and Death Benefits

CSS provides Invalidity and Death Benefits.

Contributor benefits are based on the entitlement the customer would have received, had they worked to age 65, subject to any pre-existing medical conditions being assessed. Benefits after age 65 are based on the account balance at the date of retirement or death.

Benefits may also be payable to customers with deferred benefits. However, these will be based on the value of the deferred benefit and do not include prospective service.

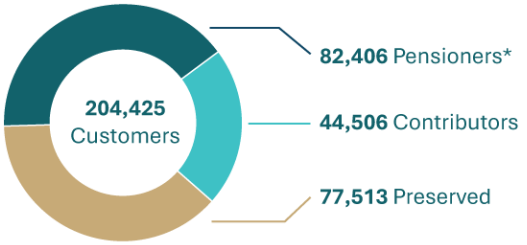
PSS

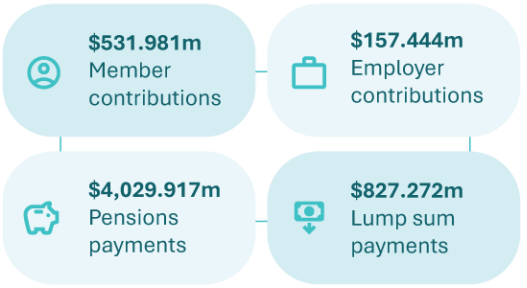
Public Sector Superannuation Scheme

PSS is a public sector scheme established on 1 July 1990 by the PSS Act. It closed to new customers on 30 June 2005. PSS is a Defined Benefit scheme where benefits derive from customer and employer components.

The customer component consists of customer contributions and fund earnings. The employer component comprises employer productivity contributions (plus fund earnings) and the unfunded 'benefit balance', which is determined when a contributing customer leaves eligible employment.

On retirement, customers can usually convert 50% or more of their final benefit accrual to a lifetime non-commutable indexed pension, paid by the Australian Government. Any remaining balance, as well as any transfer amounts, will be paid as a lump sum.





*Pensioners represents the number of pension accounts, not the exact number of pensions (e.g. multiple recipients such as a spouse and orphan children may be paid under one account).

Invalidity pensioners	159 New full invalidity applications	47 Partial invalidity applications

Note: This table shows the number of new invalidity retirement certificates issued in the relevant reporting year (not the total number of invalidity pensioners).

PSS administration

Contributions

Contributing customers can contribute up to 10% of their superannuation salary (contributions paid from after-tax income) and can make voluntary contributions into PSSap.

Employer contributions

Employers usually pay a fortnightly productivity contribution into PSS. The amount is based on the customer's superannuation salary. The unfunded employer component is notional and is determined when a customer ceases contributory membership.

Benefit payments

Pensions and lump sums

In most cases PSS benefits are paid when a customer exits the scheme at retirement.

Benefits usually cannot be paid until minimum retirement age is reached and the customer has permanently retired from the workforce. Benefits may also become payable if the customer is retrenched, becomes totally and permanently incapacitated, or dies.

Note: Lump sums are paid from the PSS fund and by the Australian Government.

Invalidity and Death Benefits

PSS provides Invalidity and Death Benefits.

Contributor benefits are generally based on the entitlement the customer would have received if they had worked to age 60, subject to any benefit restrictions. Benefits at age 60 or older are based on the account balance at the date of retirement or death. Benefits may also be payable for customers with preserved benefits. However, these will be based on the value of the preserved benefit and do not include prospective service.

Additional Death and Invalidity Cover (ADIC)

Contributing customers under age 60 can apply for additional death and invalidity cover; application will be subject to underwriting and approval by CSC's insurer. ADIC is provided by AIA Australia Limited (ABN 79 004 837 862, AFSL 230043).

Partial invalidity

A partial invalidity pension – a form of income maintenance – is paid when a customer's salary is permanently reduced for health reasons.

MilitarySuper

Military Superannuation and Benefits Scheme

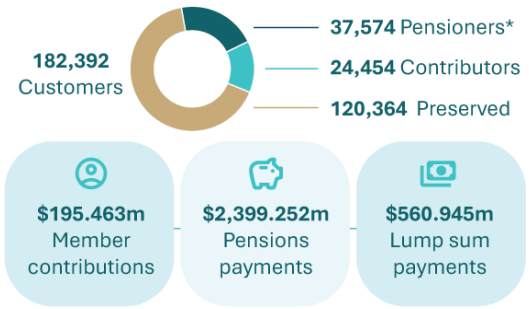
MilitarySuper was established on 1 October 1991 by the *Military Superannuation and Benefits Act 1991*. MilitarySuper closed to new ADF entrants on 30 June 2016. ADF Super is now available to new ADF entrants. ADF re-entrants who have a preserved Employer Benefit must re-join MilitarySuper.

However, contributors may choose to remain in MilitarySuper or opt out. MilitarySuper is a hybrid scheme (part accumulation, part Defined Benefit). Benefits derive from customer and employer benefits.

The customer benefit is the accumulation component. It consists of the mandated customer contributions, any amounts notionally brought over from DFRDB, plus fund earnings on those amounts. The Employer Benefit is the Defined Benefit component. It is based on a customer's period of ADF service and their final average salary.

The Employer Benefit is unfunded, except for the portion relating to the employer 3% productivity contributions, paid each fortnight by the Department of Defence, plus fund earnings. Unfunded benefits are paid by the Australian Government.

MilitarySuper also offers an ancillary benefit (which is also available to eligible DFRDB customers) to those who wish to make additional contributions and transfers, such as additional personal, salary sacrifice and spouse contributions.



* Pensioners represents the number of pension accounts, not the exact number of pensions (e.g. multiple recipients such as a spouse and orphan children may be paid under one account).

New invalidity classification	Class A	Class B	Class C
	944	303	202

Note: Figures vary slightly to invalidity exits quoted elsewhere due to some cases relating to customers who transitioned in the previous financial year; these figures do not include customers who were medically discharged under Rule 32 with no invalidity pension payable having been deemed by a delegate of the Board to have been retired on a pre-existing condition within two years of enlistment. New invalidity classifications include approved ADF medical separation claims and retrospective invalidity claims

MilitarySuper administration

Contributing customers must usually contribute a minimum of 5% (or elect up to 10%) of their superannuation salary into the fund from their after-tax income. They can also make voluntary payments into their ancillary benefit.

Ancillary contributions

Contributing MilitarySuper and DFRDB customers can make ancillary contributions to accumulate a separate superannuation interest called an ancillary benefit. This benefit can include both pre- and post-tax contributions such as additional personal, salary sacrifice and spouse contributions, which has fund earnings applied in line with the relevant investment option returns. Ancillary contributions do not count towards a customer's Maximum Benefit Limit in MilitarySuper, nor impact any DFRDB retirement benefit. The ancillary benefit can generally only be paid as a cash lump sum once a customer reaches their preservation age and retires, or it can be rolled over to another superannuation fund at any age.

Benefit payments

Pensions and lump sums

MilitarySuper customers who exit the scheme are entitled to a range of benefits depending on their circumstances. Employer Benefit must generally remain preserved until a customer reaches age 55 and transitions from the ADF. Benefits may also become payable if the customer transitions through invalidity or redundancy or dies.

Invalidity and Death Benefits

MilitarySuper provides Invalidity and Death Benefits.

If a contributing customer is medically transitioned from the ADF, an Invalidity Benefit may help them to resettle into civilian employment.

There are three levels of invalidity classification:

- Class A: Significant incapacity
- Class B: Moderate incapacity
- Class C: Low incapacity (no entitlement to an invalidity pension)

Invalidity classification review

Customers classified Class A or Class B are subject to review by CSC until age 55. Customers may also initiate a classification level review up to age 65. Customers classified Class C at retirement are not subject to periodic reviews but may request the initial classification be reconsidered. A request should be made within 30 days of the initial classification decision.

PSSap

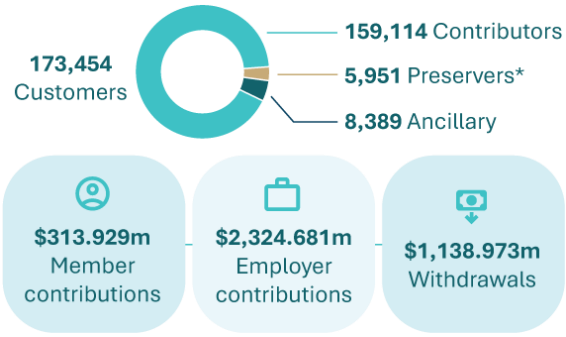
Public Sector Superannuation accumulation plan

PSSap is a Defined Contribution scheme that was established on 1 July 2005 by the PSSap Act. Customers and employers can make contributions to the fund. This money is then pooled and invested with the contributions of other customers. Over time, as contributions are made, customers purchase more and more units in their investment option or options. The prices of those units increase and decrease in value in line with the performance of the investment option(s) they are invested in.

PSSap is open to eligible employees of default employers who make superannuation contributions at a rate of 15.4% per annum.

Since 4 December 2017 customers who meet qualifying criteria have been able to contribute to PSSap after leaving public sector employment. These qualifying criteria were simplified to accommodate concurrent employment from 7 March 2021.

PSSap also offers an ancillary membership to eligible CSS and PSS customers who can make additional contributions and transfers into PSSap. PSSap also offers access to our account-based pension product CSCri to eligible public sector scheme customers.



* Preserved customers are ineligible to make additional contributions as they did not meet the eligibility criteria to continue contribution after leaving default employment.

PSSap administration

Contributions

PSSap customers can make before-tax and after-tax voluntary contributions.

Ancillary contributions

Contributions can be made by eligible CSS/PSS customers by opening a PSSap account as an Ancillary customer. Their PSSap benefit has unit prices applied in line with the investment returns of the scheme and their PSSap benefit does not affect their CSS or PSS benefit in any way.

Ancillary accounts have been available since 1 July 2013. From 7 March 2021 ancillary accounts can also receive non-default employer contributions.

Employer contributions

Participating PSSap employers are required to contribute 15.4% superannuation contributions. Non-participating employers are required to make contributions in line with their employment contract.

Benefit payments

The two most common reasons for the payout of superannuation benefits from the PSSap fund are for retirement and for consolidation of funds into another superannuation fund.

Insurance benefits

PSSap offers Death, Total Permanent Disablement (TPD) and Income Protection (IP) cover through a group insurance arrangement.

Insurance cover offered through PSSap is called lifePLUS cover. lifePLUS cover is provided by AIA Australia Limited (ABN 79 004 837 862, AFSL 230043)

There are two types of lifePLUS cover available to eligible PSSap customers: lifePLUS auto (default cover) and lifePLUS choice (underwritten cover). lifePLUS auto is offered to eligible PSSap customers over 25 years of age with an account balance over $6,000 on an opt-out basis. Customers under 25 years and/or with an account balance below $6,000 are offered cover on an opt-in basis.

Customers may apply for cover or vary or cancel some or all of their cover at any time. Customers who receive lifePLUS auto cover and opt out of or cancel cover are no longer eligible for it again, even if they work for another eligible employer or rejoin the APS down the track. Customers who want cover again in the future will need to apply for lifePLUS choice and their application will be subject to underwriting and approval by CSC's insurer. Cover may be declined or offered on modified terms and conditions.

Death and TPD

lifePLUS cover provides a lump sum payment in the event of Death (including Terminal Illness) or TPD. The level of automatic cover varies depending on a customer's age unless fixed cover is in place. If fixed cover is in place, the customer receives that level of cover until the cover ceases or is cancelled by the customer.

Customers may select insurance cover for both Death and TPD, or for Death only.

Income Protection

Income Protection cover provides a monthly benefit payment, paid in arrears. The benefit payment provides up to 90.4% of an eligible customer's base salary. If a customer is unable to work due to a temporary disability caused by sickness or injury, up to 75% of this amount is paid directly to the customer and a 15.4% superannuation contribution is paid directly to the customer's PSSap account, for up to two years.

If a five-year benefit period is held, up to 65.4% of a customer's base annual salary is then paid for a further three years, with 50% paid directly to the customer and a 15.4% superannuation contribution paid into their PSSap account.



Retirement Income Strategy

CSC's Retirement Income Strategy (RIS) supports customers before and throughout retirement by helping them maximise retirement income, manage financial risks and maintain flexibility in accessing their retirement savings.

During 2025–26 CSC's RIS continued to deliver customer support through four strategic pillars: guidance and advice, wellbeing and purpose, retirement products and clear communication. CSC launched enhancements to tools, digital front-end processes and simplification of retirement profiles that include solutions to address longevity risk.

CSC helps customers make informed decisions and improve retirement confidence through retirement self-guided tools and modellers, specialist support, educational resources, retirement income solutions and retirement planning support.

A key element of the RIS is continuous improvement, allowing CSC to explore enhancements to its retirement offering, including greater access to personalised support, improved digital experiences, expanded retirement solutions and more tailored customer communications. This reinforces CSC's commitment to delivering better retirement outcomes for customers and their families.

CSCri

Commonwealth Superannuation Corporation retirement income

CSCri is an account-based pension product offered as part of PSSap to eligible CSS, PSS and PSSap customers who are retiring or want to start transitioning to retirement.

CSCri accounts must start with a minimum investment of $20,000. CSCri is designed to complement a customer's existing CSS, PSS or PSSap benefit by allowing them to keep some or all of their superannuation invested, while also receiving regular retirement income payments. CSCri offers a Standard retirement income stream and a Transition to retirement income stream product.

CSCri Standard retirement income stream investment returns are calculated as a compound average rate of return, after fees have been deducted. CSCri Standard retirement income stream investment returns are tax free.

CSCri Transition to retirement income stream investment returns are calculated as a compound average rate of return, after fees and taxes have been deducted.

3,837 Customers

$474.535m Roll in amount to CSCri

$151.314m Pensions payments and lump sum withdrawals

ADF Cover

Australian Defence Force Cover

ADF Cover is a benefits scheme established on 1 July 2016 by the ADF Cover Act.

It provides benefits for medical separation or death of a member of the ADF who is under 60 and either is an ADF Super customer or has chosen to be a customer of another superannuation fund.

Covered ADF members can include members of the Permanent Forces or Reserve members rendering continuous full-time service.

Eligible individuals are automatically covered under the ADF Cover benefits scheme and are not charged any premiums for this benefit.

ADF Cover administration

Invalidity classifications

There are three levels of invalidity classification:

- Class A: Significant incapacity
- Class B: Moderate incapacity
- Class C: Low incapacity (no entitlement to an invalidity pension)

Invalidity classification in ADF Cover

Class A	490
Class B	73
Class C	32

$4,917,521.50 Death Benefit paid

New invalidity classifications include approved ADF medical separation claims and retrospective invalidity claims.

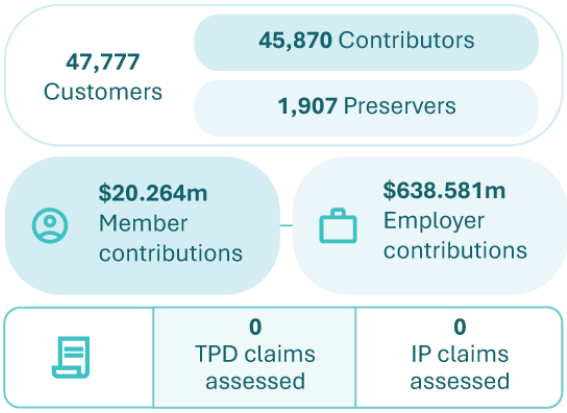
ADF Super

Australian Defence Force Superannuation Scheme

ADF Super is a military superannuation scheme established on 1 July 2016 by the ADF Super Act. It is an accumulation scheme where customers and the Department of Defence (as the employer) contribute to the scheme, with investment returns calculated as a compound average rate of return after fees and taxes are deducted.

ADF Super is open to new ADF entrants, including reservists who are in full-time continuous service. ADF Super is also open to other eligible ADF members.

From 6 July 2020 customers who meet qualifying criteria can contribute to the scheme after leaving military service. lifePLUS Protect insurance cover is available to customers who have left the ADF subject to satisfying eligibility conditions.



* Preserved customers are ineligible to make additional contributions as they did not meet the eligibility criteria to continue contribution after separating from military service.

ADF Super administration

Contributions

ADF Super customers can make voluntary before-tax and after-tax contributions.

Employer contributions

The Department of Defence contributes 16.4% of a customer's Ordinary Time Earnings per annum on behalf of ADF Super customers. Eligible customers who have left military service can receive employer contributions in line with their new employment contract.

Benefit payments

The two most common reasons for the payout of superannuation benefits from the ADF Super fund were for consolidation of funds into another superannuation fund and retirement.

Insurance benefits

Eligible serving ADF members are automatically covered under the ADF Cover benefits scheme.

From 6 July 2020 ADF Super customers who have left the ADF are offered default Death and Total Permanent Disablement (TPD) on discharge if they satisfy eligibility conditions. Voluntary Income Protection is available by application and underwriting to customers who satisfy eligibility conditions. Insurance cover in ADF Super is offered through a group insurance arrangement called lifePLUS Protect. lifePLUS Protect is provided by AIA Australia Limited (ABN 79 004 837 862, AFSL 230043).

There are two types of lifePLUS Protect cover available to eligible ADF Super customers: lifePLUS Protect auto (default cover) and lifePLUS Protect choice (underwritten cover). lifePLUS Protect auto Death and TPD cover is offered to ADF Super customers who have completed 12 months continuous service or more and satisfy eligibility requirements on separation from the ADF. Cover is offered on an opt-out basis to customers over 25 years of age and account balance over $6,000. Cover is offered on an opt-in basis for customers under 25 years and/or with an account balance below $6,000. Customers may apply for cover or vary or cancel some or all of their cover at any time.

Death and TPD

lifePLUS Protect auto provides a lump sum payment in the event of Death (including Terminal Illness) or TPD. The level of automatic cover varies depending on a customer's age unless fixed cover is in place (lifePLUS Protect choice). If fixed cover is in place, the customer receives that level of cover until cover ceases or is cancelled by the customer. Customers may select insurance cover for both Death and TPD, or Death only.

Income Protection

Income Protection insurance provides a monthly benefit payment, paid in arrears. The benefit payment provides up to 87% of an eligible customer's income. If a customer is unable to work due to a temporary disability caused by sickness or injury, up to 75% of this amount is paid directly to the customer and a 12% superannuation contribution is paid directly to the customer's ADF Super account, for up to two years.

1922 scheme

The 1922 scheme was established under the 1922 Act. It is a closed public sector scheme with all customers receiving a pension. Customers contributing to the 1922 scheme transferred to CSS when CSS opened on 1 July 1976.

The 1922 Act continues to provide for pension payments and any reversionary pensions that become payable.

890 Pensioners

$36.524m Pensioner payments

Defence Forces Retirement Benefits

DFRB is a closed military scheme with no contributing customers. It was established in 1948 by the DFRB Act and closed to new contributors on 30 September 1972. Contributing customers at that time automatically transferred to DFRDB (1 October 1972). DFRB continues to provide the benefit entitlements for customers who ceased to be contributors before 1 October 1972 and for reversionary benefits to eligible spouses and children.

1,189 Pensioners

$31.067m Pension payments

Invalidity classification			
Class A 0	Class B 0	Class C 0	Not eligible 0

Note: 'Not eligible' refers to the cases that are not eligible for classification due to a pre-existing condition. Therefore not entitled to be assessed for invalidity benefits.

Papua New Guinea (PNG) Scheme

PNG is a closed public sector scheme with no contributing customers. Constituted under the Superannuation (Papua New Guinea) Ordinance 1951, PNG provided retirement benefits for employees of the administration of the Territory of Papua and New Guinea. Since 1 July 1976 the scheme has been administered in accordance with section 38 of the PNG Act.

43 Pensioners

$2.484m Payments

Defence Force Retirement and Death Benefits

DFRDB is a closed military Defined Benefit scheme. The scheme was established by the DFRDB Act and closed to new ADF entrants from 1 October 1991, when MilitarySuper was established. DFRDB provides superannuation for ADF members who became contributors on or after 1 October 1972 and for contributors of DFRB on 30 September 1972 who compulsorily transferred to DFRDB on 1 October 1972.

Scheme administration

DFRDB customers must contribute 5.5% of their fortnightly superannuation salary until they reach 40 years effective service, at which time they can no longer contribute. Contributors can also make voluntary payments into MilitarySuper, known as ancillary contributions.

DFRDB customers are also entitled to a productivity benefit under the *Defence Force (Superannuation) (Productivity Benefit) Determination1988* (DFSPB), issued under the *Defence Act 1903*. It is paid by the Department of Defence when a customer's DFRDB benefits are paid.

47,825 Customers

305 Contributors

48,130 Pensioners

$2.116m Member contributions

Lump sum payments

DFRDB customers ceasing a period of ADF service can commute part of their DFRDB retirement pay to receive an upfront lump sum payment (commutation amount), if eligible. If a customer chooses to commute, their retirement pay is permanently reduced irrespective of how long they live. Retiring customers can elect to commute up to a maximum of five times the value of their annual retirement pay.

Invalidity Benefit

DFRDB provides Invalidity and Death Benefit. If a customer is medically transitioned from the ADF, an Invalidity Benefit may be available.

There are three levels of Invalidity Benefit classifications:

- Class A: Significant incapacity
- Class B: Moderate incapacity
- Class C: Low incapacity (no entitlement to an invalidity pension)

Invalidity classification review

Periodic medical reviews of DFRDB invalidity recipients are no longer conducted. However, if an invalidity recipient believes their retiring impairment has deteriorated, they can initiate a review of their invalidity classification level. Customers classified Class C at retirement are not subject to periodic reviews but may request the initial classification be reconsidered. A request should be made within 30 days of the initial classification decision.

$24.912m Lump sum payments

New invalidity classification	Class A	Class B	Class C
	33	27	12

New invalidity classifications include approved ADF medical separation claims and retrospective invalidity claims.

Section 8

CSC Financial Statements

Auditor-General for Australia

Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Finance

Opinion

In my opinion, the financial statements of the Commonwealth Superannuation Corporation (the Entity) for the year ended 30 June 2026:

(a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Entity as at 30 June 2026 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2026 and for the year then ended:

- Statement by the Chair, Chief Executive Officer and Chief Operating Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of material accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by me. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's Responsibility for the financial statements

As the Accountable Authority of the Entity, the Directors are responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under the Act. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Directors are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Dr. Caralee McLiesh PSM
Auditor-General
Canberra
24 September 2026

Commonwealth Superannuation Corporation

STATEMENT BY THE CHAIR, CHIEF EXECUTIVE OFFICER AND CHIEF OPERATING OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2026 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*, and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Commonwealth Superannuation Corporation will be able to pay its debts as and when they fall due.

The statement is made in accordance with a resolution of the directors.



Janet Torney
Chair
24 September 2026



Damian Hill
Chief Executive Officer
24 September 2026



Andy Young
Chief Operating Officer
24 September 2026

Commonwealth Superannuation Corporation

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000	Original Budget 2026 $'000	Budget Notes
NET COST OF SERVICES					
Expenses					
Employee benefits	2.1	**116,853**	102,206	99,993	a
Suppliers	2.2	**86,177**	84,043	85,358	
Depreciation and amortisation	5.1	**8,411**	8,117	8,714	
Finance costs		**378**	482	252	
Write-down and impairment of other assets		**-**	9	-	
Total expenses		**211,819**	194,857	194,317	
LESS:					
Own-source income					
Own-source revenue					
Revenue from contracts with customers	3.1	**213,666**	194,304	188,787	b
Interest		**742**	720	732	
Total own-source revenue		**214,408**	195,024	189,519	
Gains					
Other gains		**3**	13	-	
Total gains		**3**	13	-	
Total own-source income		**214,411**	195,037	189,519	
Net contribution by/ (cost of) services		**2,592**	180	(4,798)	
Surplus/(deficit) for the year		**2,592**	180	(4,798)	
OTHER COMPREHENSIVE INCOME					
Items not subject to subsequent reclassification to net contribution by/ (cost of) services					
Changes in asset revaluation reserve		**81**	73	-	
Total other comprehensive income		**81**	73	-	
Total comprehensive income/(loss)		**2,673**	253	(4,798)	

Commonwealth Superannuation Corporation

STATEMENT OF COMPREHENSIVE INCOME (continued)

For the year ended 30 June 2026

Budget Variances Commentary

Statement of Comprehensive Income

a. Employee expenses are higher than budget due to increases in staffing levels from contractor to employee conversions and higher variable remuneration associated with the 2026 performance outcome.

b. Revenue is higher than budget mainly due to an increase in administration fees to service the defined benefit schemes, the recovery of non-recurring transformation project costs through administration services provided to the defined contribution schemes, and higher than anticipated expenses that are referable and reimbursed by the ARIA Investments Trust (AIT).

Commonwealth Superannuation Corporation

STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	2026 $'000	2025 $'000	Original Budget 2026 $'000	Budget Notes
ASSETS					
Financial assets					
Cash and cash equivalents	4.1	**82,956**	44,679	54,251	a
Trade and other receivables	4.2	**14,722**	39,792	14,662	
Total financial assets		**97,678**	84,471	68,913	
Non-financial assets[1]					
Buildings (ROU Asset)	5.1	**5,542**	8,679	5,192	
Leasehold improvements	5.1	**3,562**	5,242	2,722	
Property, plant and equipment	5.1	**3,407**	3,756	4,768	b
Intangibles	5.1	**5,774**	6,486	4,380	c
Prepayments		**12,071**	10,171	10,237	d
Total non-financial assets		**30,356**	34,334	27,299	
Total assets		**128,034**	118,805	96,212	
LIABILITIES					
Payables					
Suppliers	6.1	**6,468**	7,698	5,689	
Other payables	6.2	**10,085**	4,439	3,287	e
Total payables		**16,553**	12,137	8,976	
Interest bearing liabilities					
Leases	7.1	**8,737**	13,265	5,919	f
Total interest-bearing liabilities		**8,737**	13,265	5,919	
Provisions					
Employee provisions	8.1	**38,539**	33,577	27,910	g
Other provisions	8.2	**2,315**	2,209	2,201	
Total provisions		**40,854**	35,786	30,111	
Total liabilities		**66,144**	61,188	45,006	
Net assets		**61,890**	57,617	51,206	
EQUITY					
Contributed equity		**35,475**	35,475	35,475	
Operational risk reserve		**8,584**	6,984	8,558	
Asset revaluation reserve		**2,573**	2,564	2,673	
Retained earnings		**15,258**	12,594	4,500	
Total equity		**61,890**	57,617	51,206	

1. Right-of-use assets are included in the following line items - Buildings and Property, plant and equipment.

Budget Variances Commentary

Statement of Financial Position

a. Cash and cash equivalents are higher than budget primarily due to timing differences in operating cash flows, including the receipt of funding for activities to be undertaken in future periods, collection of trade receivables and lower than budgeted capital and supplier payments at year end. This is consistent with the stronger net operating cash inflow reflected in the Cash Flow Statement. Refer to the Cash Flow Statement for further detail.

b. Property, plant and equipment are lower than budget due to a change in timing in infrastructure and technology-related asset projects.

c. Intangibles are higher than budget due to capital expenditure associated with the customisation of a cloud-based Customer Relationship Management (CRM) platform.

d. Prepayments are higher than budget due to the timing of invoice payments and more upfront payments for services contracts and subscriptions.

e. Other payables are higher than budget due to funding received for the implementation of the *Better Targeted Superannuation Concessions measure* (Division 296) where related activities are expected to be undertaken in the following financial year.

f. Lease liabilities are higher than budget due to the commencement of a new lease for the Sydney office. The budget assumed a lower lease cost and did not include the additional space leased.

g. Employee provisions are higher than budget due to increased staffing levels following contractor to employee conversions, which resulted in higher accrued leave and other employee entitlements, including variable remuneration associated with the 2026 performance outcome.

Commonwealth Superannuation Corporation

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000	Original Budget 2026 $'000	Budget Notes
CONTRIBUTED EQUITY					
Opening balance as of 1 July					
Balance carried forward from previous period		**35,475**	35,475	35,475	
Closing balance as at 30 June		**35,475**	35,475	35,475	
RETAINED SURPLUS					
Opening balance					
Balance carried forward from previous period		**12,594**	12,232	9,298	
Comprehensive income					
Surplus/(deficit) for the year		**2,592**	180	(4,798)	
Total comprehensive income		**2,592**	180	(4,798)	
Transfer of revaluation surplus on asset disposal		**72**	182	**-**	
Closing balance as at 30 June		**15,258**	12,594	4,500	
ASSET REVALUATION RESERVE					
Opening balance					
Balance carried forward from previous period		**2,564**	2,673	2,673	
Other comprehensive income		**81**	73	-	
Transfers of revaluation surplus to retained earnings on asset disposal		**(72)**	(182)	-	
Closing balance as at 30 June		**2,573**	2,564	2,673	
OPERATIONAL RISK RESERVE					
Opening balance					
Balance carried forward from previous period		**6,984**	5,528	6,983	
Transfers to reserve					
Transfers from Department of Defence		**1,600**	1,456	1,575	
Closing balance as at 30 June		**8,584**	6,984	8,558	
Total equity		**61,890**	57,617	51,206	

Accounting Policy

Operational Risk Reserve

The operational risk reserve (ORR) represents trustee capital held for the purposes of meeting the operational risk financial requirement of the ADF Superannuation Scheme. The purpose of the operational risk reserve (ORR) is to provide adequate financial resources to address losses that may arise from an operational risk event. The ORR is operated in accordance with an ORR policy. The level of the reserve is determined by the Trustee Directors and reviewed annually, based on an assessment of the risks faced by the ADF Superannuation Scheme. The assets underlying the trustee capital were funded by the Department of Defence and are held in a segregated bank account as Australian-dollar denominated cash.

Commonwealth Superannuation Corporation

CASH FLOW STATEMENT

For the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000	Original Budget 2026 $'000	Budget Notes
OPERATING ACTIVITIES					
Cash received					
Rendering of services		**244,217**	169,125	188,694	a
Interest		**742**	720	732	
Net GST received		**-**	49	-	
Total cash received		**244,959**	169,894	189,426	
Cash used					
Employee benefits		**(111,471)**	(95,542)	(99,780)	b
Suppliers		**(89,367)**	(79,839)	(85,571)	c
Interest payments on lease liabilities		**(305)**	(402)	(187)	
Net GST paid		**(95)**	-	-	
Total cash used		**(201,238)**	(175,783)	(185,538)	
Net cash from/(used by) operating activities	9	**43,721**	(5,889)	3,888	
INVESTING ACTIVITIES					
Cash received					
Net proceeds from disposal of property, plant and equipment		**3**	13	-	
Total cash received		**3**	13	-	
Cash used					
Purchase of leasehold improvements		**-**	(622)	-	
Purchase of property, plant and equipment		**(1,309)**	(1,151)	(2,120)	
Purchase of internal development of intangibles		**(1,194)**	(1,216)	(450)	
Total cash used		**(2,503)**	(2,989)	(2,570)	
Net cash used by investing activities		**(2,500)**	(2,976)	(2,570)	
FINANCING ACTIVITIES					
Cash received					
Transfers to operational risk reserve		**1,600**	1,456	1,575	
Total cash received		**1,600**	1,456	1,575	
Cash used					
Principal payments of lease liabilities		**(4,544)**	(4,354)	(4,937)	
Total cash used		**(4,544)**	(4,354)	(4,937)	
Net cash used by financing activities		**(2,944)**	(2,898)	(3,362)	
Net increase/(decrease) in cash and cash equivalents		**38,277**	(11,763)	(2,044)	
Cash and cash equivalents at the beginning of the financial year		**44,679**	56,442	56,295	
Cash and cash equivalents at the end of the financial year	4.1	**82,956**	44,679	54,251	

Budget Variances Commentary

Cash Flow Statement

a. Cash received from rendering of services is higher than budget due to the timing of cash receipts from prior year trade receivables and higher revenue. Refer to Statement of Comprehensive Income note b for further detail on the increase in revenue.

b. Refer to Statement of Comprehensive Income note a.

c. Cash used for supplier expenses is higher than budget due to the timing of supplier payments, including higher prepayments and lower supplier payables, and higher capital expenditure on internally generated software. Refer to Statement of Financial Position note c and d.

Note 1: Overview and Summary of Material Accounting Policies

Objectives of the Entity

Commonwealth Superannuation Corporation (CSC) (ABN 48 882 817 243) is a Corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*. The objective of CSC is to provide 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. CSC is a not-for-profit entity. The continued existence of CSC in its present form and with its present programs is dependent on Government policy.

CSC is the Trustee responsible for the Public Sector Superannuation Scheme ('PSS'), the Commonwealth Superannuation Scheme ('CSS'), the Public Sector Superannuation Accumulation Plan ('PSSap'), the Military Superannuation and Benefits Scheme ('MSBS'), Australian Defence Force Superannuation Scheme ('ADF Super'), Australian Defence Force Cover Scheme ('ADF Cover'), the Defence Force Retirement and Death Benefits Scheme ('DFRDB'), the Defence Forces Retirement Benefits Scheme ('DFRB'), the Defence Force (Superannuation) (Productivity Benefit) Scheme ('DFSPB'), the Papua New Guinea Scheme ('PNG') and the 1922 Scheme, collectively referred to as 'the Schemes'.

The Schemes invest solely through the ARIA Investments Trust ('the AIT') - a pooled superannuation trust under CSC's trusteeship - which facilitates access to a broad range of underlying securities across various asset classes on an efficient and cost-effective basis.

CSC's activities are partly funded through the scheme administration charges collected from employers participating in PSS and CSS, and from members of PSSap and ADF Super, and through negotiated administration charges collected from the Department of Defence. Additional funding may be provided by Government to meet specific administration requirements.

The Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

a) P*ublic Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)*; and
b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

New Accounting Standards

There were no new or amended accounting standards or interpretations that were mandatory for the reporting period that had a material impact on CSC.

At the date of authorisation of the financial report, the following Accounting Standard which is expected to be relevant to CSC was in issue but not yet effective.

Note 1: Overview and Summary of Material Accounting Policies (continued)

New Accounting Standards (continued)

Standard	Effective for annual reporting periods beginning after	Expected to be initially applied in the financial year ending
AASB 18 - Presentation and Disclosure in Financial Statements		
This Accounting Standard will not change the recognition and measurement of items in the financial statements but may affect presentation and disclosure, including introducing new categories and subtotals in the Statement of Comprehensive Income, requiring the disclosure of management defined performance measures, and changing the grouping of information in the financial statements. CSC is currently assessing the likely impacts on the financial statements of this Standard.	1 January 2028	30 June 2029
AASB 2026-4 Application of AASB 18 and AASB 107 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation		
This amending Accounting Standard specifies how AASB 18 - Presentation and Disclosure in Financial Statements, and related amendments to AASB 107 Statement of Cash Flows, are to be applied by not-for-profit entities. CSC is currently assessing the likely impacts on the financial statements of this Standard.	1 January 2028	30 June 2029

No Accounting Standards have been adopted earlier than the application date as stated in the Standard.

Taxation

The *Income Tax Assessment Act 1936* and *Income Tax Assessment Act 1997* apply to CSC, however in the normal course of its activities CSC does not generate taxable income under that Act. CSC is liable for Goods and Services Tax (GST) and Fringe Benefits Tax (FBT).

Revenues, expenses, assets and liabilities are recognised net of GST except:

a) where the amount of GST incurred is not recoverable from the Australian Taxation Office; and

b) for receivables and payables.

Controlled Entities

CSC is the parent and sole shareholder of ARIA Co Pty Ltd. ARIA Co Pty Ltd is the Trustee of the ARIA Alternative Assets Trust and the PSS/CSS Investments Trust. ARIA Co Pty Ltd is not consolidated into CSC's financial statements as it is a non trading entity with minimal transactions and is considered to be immaterial.

Non-Controlled Interests

During the year, CSC increased its shareholding in Grosvenor Place Pty Ltd (GPPL) from 25% to 50%. GPPL is a property management company that operates on a cost recovery basis. CSC does not control or jointly control GPPL due to CSC having no rights to any variable returns from its shareholding, nor does the shareholding provide CSC with any power to control, jointly control or direct the operations of GPPL. The shareholding is considered to be an investment in an associate, however has not been recognised in CSC's financial statements because the net asset value is immaterial.

Note 1: Overview and Summary of Material Accounting Policies (continued)

Reporting of Administered Activities

The FRR requires disclosure where one entity has drawn against a Special Appropriation which is the responsibility of another entity.

Administered assets, liabilities, revenue and expenses are those items which are controlled by the Government and were managed or over sighted by CSC on its behalf including:

- Superannuation benefit payments; and
- Superannuation contributions.

Further details are provided in Note 10.

In addition to CSC, the entities responsible for managing the appropriations, Department of Finance (Finance), Department of Defence (Defence) and Department of Foreign Affairs and Trade (DFAT) will make separate disclosures of the contributions and unfunded benefits paid under the 1922, CSS, PSS, PNG, DFRB, DFRDB, MSBS and ADF Cover schemes.

The funded components of the CSS, PSS and MSBS Schemes are reported in their respective financial statements. The DFRB, DFRDB and ADF Cover are unfunded Schemes.

Administered Cash Transfers to and from the Official Public Account

Revenue collected by CSC for use by the Government rather than CSC was Administered Revenue. Collections are transferred to the Official Public Account (OPA) maintained by Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriations on behalf of Government.

Events After the Reporting Period

In July 2026, a non-binding Heads of Agreement for the Canberra office was finalised between CSC and the landlord. This represented an intention to enter into a new lease agreement with effect from 1 January 2028. The proposed lease is for a period of ten years with a further renewal option for five years.

No other matters have arisen since 30 June 2026 that have materially affected, or may materially affect, the operations of CSC, the results of those operations, or the financial position of CSC in future financial years.

Note 2: Expenses

	2026 $'000	2025 $'000
Note 2.1: Employee benefits		
Wages and salaries	**92,173**	80,890
Superannuation		
Defined contribution plans	**11,026**	8,723
Defined benefit plans	**1,427**	1,389
Leave and other entitlements	**11,929**	8,928
Separations and redundancies	**298**	2,276
Total employee benefits	**116,853**	102,206

Accounting Policy

Superannuation

Staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government. The CSS and PSS are defined benefit schemes for Australian Government employees.

PSSap is a defined contribution scheme. The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

CSC makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. CSC accounts for the contributions as if they were contributions to defined contribution plans.

Note 2.2: Suppliers		
Goods and services supplied or rendered		
Consultants	**35,910**	29,489
Contractors	**9,066**	17,149
Employee recruitment, training and support[1]	**984**	1,371
Information technology and communications	**26,626**	23,907
Insurance	**1,212**	1,293
Marketing and promotion	**2,207**	1,272
Member communication	**1,218**	1,107
Property expenses[1]	**1,043**	1,065
Regulatory fees and levies[1]	**1,547**	1,146
Travel	**1,712**	1,699
Workers compensation expenses	**215**	203
Other goods and services[1]	**4,437**	4,342
Total goods and services supplied or rendered	**86,177**	84,043

[1] The expense categories noted above have been reclassified in the current reporting period in order to present more relevant information about supplier expenses. Prior year comparatives for these categories have also been reclassified as a result.

Note 2: Expenses (continued)

	2026 $'000	2025 $'000
Note 2.3: Remuneration of Auditors		
Deloitte Touche Tohmatsu are contracted by the Australian National Audit Office (ANAO) to provide audit services on its behalf. Amounts paid or payable to the ANAO for audit services include:		
Financial statement audit services	**79**	78
Regulatory audit services required by legislation to be provided to the auditor[1]	**119**	8
	198	86
The following additional services were provided by Deloitte Touche Tohmatsu:		
Internal controls audit - other assurance engagement required by legislation or contractual arrangements	**197**	183
Other non-audit services	**27**	-
Total remuneration of auditors	**422**	269

[1]. Current year total includes $30,000 of prior year audit fees associated with an increase in audit scope.

Audit fees are also payable to the ANAO by other entities under CSC's trusteeship. For the 2025-26 financial year the total fees payable for these entities is $753,100 (2025: $700,880).

No other services were provided to CSC by the ANAO or Deloitte Touche Tohmatsu.

Note 3: Own-source Revenue

	2026 $'000	2025 $'000
Note 3.1: Revenue from contracts with customers		
Defined benefit scheme administration fees - Australian Government entities (related parties)	**83,794**	78,832
Trustee levies and defined contribution scheme administration fees (related parties)	**20,898**	16,104
Services rendered to the ARIA Investments Trust (related parties)	**107,373**	97,778
Other revenue	**1,513**	1,352
Other revenue - Australian Government entities (related parties)	**88**	238
Total revenue from contracts with customers	**213,666**	194,304

Accounting Policy

Revenue from Contracts with Customers

Defined benefit scheme administration fees: Australian Government entities (related parties)

CSC receives defined benefit scheme administration fees from Australian Government employer entities participating in PSS and CSS, as well as from Department of Defence relating to military defined benefit schemes. The members of these superannuation schemes receive and consume the benefits as CSC performs the services. CSC has recorded this revenue over time under AASB 15 – *Revenue from Contracts with Customers* as the services are performed and the performance obligation is met.

Trustee levies and defined contribution scheme administration fees

CSC receives trustee levies and defined contribution administration fees from members of PSSap and ADF Super. The members of these superannuation schemes receive and consume the benefits as CSC performs the services. CSC has recorded this revenue over time under AASB 15 as the services are performed and the performance obligation is met.

Services rendered to the ARIA Investments Trust:

CSC receives fees from the AIT to recover the cost of managing the investments of the schemes. This cost recovery is performed on the basis of Board approved budget arrangements regarding the management of fund expenses. CSC does not retain any of these investment management services and the AIT simultaneously receives and consumes the benefits as CSC performs the services. CSC will record this revenue over time under AASB 15 as CSC recovers the costs of managing the investments of the schemes.

Other revenue – Australian Government entities (related parties):

Other revenue includes project funding received from Australian Government entities in order to meet specific administration requirements.

Receivables for services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Impairment is determined as detailed in Note 4.

Note 4: Financial Assets

	2026 $'000	2025 $'000
Note 4.1: Cash and cash equivalents		
Cash in special account	**55,655**	25,550
Cash on deposit	**27,301**	19,129
Total cash and cash equivalents	**82,956**	44,679

The closing balance of Cash in special account includes $Nil amounts held in trust (2025: $Nil). See Note 11: Special Accounts and Note 17: Assets Held in Trust for more information.

Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents include:

a) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to immaterial risk of changes in value; and

b) cash in special accounts.

Note 4.2: Trade and other receivables

Receivables for services		
Receivables for services	**14,424**	39,675
Other receivables	**86**	-
GST receivable	**212**	117
Total trade and other receivables (gross)	**14,722**	39,792
Less expected credit loss allowance	**-**	-
Total trade and other receivables (net)	**14,722**	39,792

All trade and other receivables are expected to be recovered within 12 months of the reporting period. Credit terms for services were within 30 days (2025: 30 days).

Accounting Policy

Financial Assets

Trade receivables and other receivables that are held for the purpose of collecting the contractual cash flows, where the cash flows are solely payments of principal and interest that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

AASB 9 impairment requirements for financial assets are based on a forward-looking expected credit loss (ECL) model. The model applies to financial assets measured at amortised cost, contract assets and debt instruments measured at fair value through other comprehensive income. Trade and other receivable assets at amortised cost are assessed for impairment at the end of each reporting period. The simplified approach has been adopted in measuring the impairment loss allowance at an amount equal to lifetime ECL.

Note 5: Non-Financial Assets

Note 5.1: Reconciliation of the opening and closing balances of leasehold improvements, plant and equipment and intangibles for 2026

	Buildings (ROU Asset) $'000	Leasehold Improvements $'000	Property, Plant and Equipment $'000	Intangibles - Computer Software[1] $'000	Total $'000
As at 1 July 2025					
Gross book value	26,316	5,242	8,978	38,005	78,541
Accumulated depreciation, amortisation and impairment	(17,637)	-	(5,222)	(31,519)	(54,378)
Total as at 1 July 2025	**8,679**	**5,242**	**3,756**	**6,486**	**24,163**
Additions					
Purchase	-	-	1,270	-	1,270
Internally developed	-	-	-	1,133	1,133
Revaluations recognised in other comprehensive income	-	114	-	-	114
Depreciation and amortisation	-	(1,794)	(1,595)	(1,845)	(5,234)
Depreciation on right-of-use assets	(3,153)	-	(24)	-	(3,177)
Disposals	-	-	-	-	-
Re-measurement of right-of-use assets	16	-	-	-	16
Total as at 30 June 2026	**5,542**	**3,562**	**3,407**	**5,774**	**18,285**
Total as at 30 June 2026 represented by:					
Gross book value	26,332	3,562	9,618	39,138	78,649
Accumulated depreciation, amortisation and impairment	(20,790)	-	(6,211)	(33,3634	(60,364)
Total as at 30 June 2026	**5,542**	**3,562**	**3,407**	**5,774**	**18,285**
Carrying amount of right-of-use assets	**5,542**	**-**	**21**	**-**	**5,563**

1. The carrying amount of computer software of $5.77 million is entirely comprised of internally generated software.

Note 5: Non-Financial Assets (continued)

Note 5.1: Reconciliation of the opening and closing balances of leasehold improvements, plant and equipment and intangibles for 2025

	Buildings (ROU Asset) $'000	Leasehold Improvements $'000	Property, Plant and Equipment $'000	Intangibles - Computer Software[2] $'000	Total $'000
As at 1 July 2024					
Gross book value	25,905	4,986	8,407	36,769	76,067
Accumulated depreciation, amortisation and impairment	(14,517)	(4)	(4,228)	(29,747)	(48,496)
Total as at 1 July 2024	**11,388**	**4,982**	**4,179**	**7,022**	**27,571**
Additions					
Purchase[1]	-	1,750	1,190	-	2,940
Internally developed	-	-	-	1,236	1,236
Right-of-use assets	269	-	-	-	269
Impairments recognised in net contribution by services	-	(9)	-	-	(9)
Impairments recognised in other comprehensive income	-	(1)	-	-	(1)
Revaluations recognised in other comprehensive income	-	132	-	-	132
Depreciation and amortisation	-	(1,612)	(1,588)	(1,772)	(4,972)
Depreciation on right-of-use assets	(3,120)		(25)	-	(3,145)
Disposals	-	-	-	-	-
Re-measurement of right-of-use assets	142	-	-	-	142
Total as at 30 June 2025	**8,679**	**5,242**	**3,756**	**6,486**	**24,163**
Total as at 30 June 2025 represented by:					
Gross book value	26,316	5,242	8,978	38,005	78,541
Accumulated depreciation, amortisation and impairment	(17,637)	-	(5,222)	(31,519)	(54,378)
Total as at 30 June 2025	**8,679**	**5,242**	**3,756**	**6,486**	**24,163**
Carrying amount of right-of-use assets	**8,679**	**-**	**45**	**-**	**8,724**

1. Leasehold improvements purchases is funded by lease incentive of $1.13 million related to the fit-out of the Sydney office.

2. The carrying amount of computer software includes $6.49 million of internally generated software.

Note 5: Non-Financial Assets (continued)

Note 5.1: Reconciliation of the opening and closing balances of leasehold improvements, plant and equipment and intangibles (continued)

Revaluations of non-financial assets

All revaluations were conducted in accordance with the fair value measurement policy stated at Note 15.1. Independent valuers conducted the fair value assessment of the carrying values of property, plant and equipment as at 30 June 2024. Independent valuers conducted the fair value assessment for the leasehold improvements asset class as at 30 June 2026, following an update to makegood provisions impacting the valuation of the asset class.

Contractual commitments for the acquisition of property, plant, equipment and intangible assets

CSC has contractual commitments totalling $0.09 million (2025: $0.08 million) for the acquisition of property, plant and equipment and intangible assets.

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than $4,000 (2025: $4,000), which are expensed in the year of acquisition (other than where they form part of a group of similar items which are material in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in the Canberra lease where there exists an obligation to the lessor. These costs are included in the value of CSC's leasehold improvements with a corresponding provision for the 'make good' recognised.

Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by CSC as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16, CSC has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in Commonwealth agency, General Government Sector and Whole of Government financial statements.

Revaluations

Following initial recognition at cost, property, plant and equipment and leasehold improvements (excluding ROU assets) are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Note 5: Non-Financial Assets (continued)

Note 5.1: Reconciliation of the opening and closing balances of leasehold improvements, plant and equipment and intangibles (continued)

Accounting Policy (continued)

Revaluations (continued)

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to CSC using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2026	2025
Leasehold Improvements	Lease term	Lease term
Plant and Equipment	3 to 10 years	3 to 10 years

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

All assets, including intangibles and ROU assets, were assessed for indicators of impairment at 30 June 2026. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

CSC's intangibles comprise internally developed software and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of CSC's software are 3 to 10 years (2025: 3 to 10 years).

Purchased or internally developed intangibles are recognised initially at cost in the Statement of Financial Position, except for purchased intangibles costing less than $80,000 (2025: $80,000) or internally developed assets costing less than $80,000 (2025: $80,000). These items are expensed in the year of acquisition (other than where they form part of a group of similar items which are material in total).

Software assets under development but not yet available for use have been tested for impairment as at 30 June 2026. All software assets in use were assessed for indications of impairment as at 30 June 2026.

Accounting Judgements and Estimates

CSC has also made judgements in relation to the carrying value of internally generated software. The carrying amount is based on the recoverability as assessed by management given the most recent information available, including an impairment assessment as at 30 June 2026.

Note 6: Payables

	2026 $'000	2025 $'000
Note 6.1: Suppliers		
Trade creditors and accruals	**6,468**	7,698
Total suppliers	**6,468**	7,698

All trade creditors and accruals are expected to be settled within 12 months of the reporting period. Settlement is usually made within 20 days (2025: 20 days).

Note 6.2: Other payables		
Wages and salaries	**3,580**	2,697
Unearned revenue	**6,492**	1,192
Separations and redundancies	**-**	488
Other	**13**	62
Total other payables	**10,085**	4,439
Other payables expected to be settled in:		
No more than 12 months	**9,404**	3,758
More than 12 months	**681**	681
Total other payables	**10,085**	4,439

Accounting Policy

Separations and redundancies

CSC recognises a payable for separation and redundancy benefit payments when there is no material uncertainty in timing or amount payable. Employees affected have been informed and final amounts have been determined in relation to the redundancies.

Unearned revenue

CSC recognises a liability for unearned revenue when a payment has been received from a customer but performance obligations attached to the payment are expected to be fulfilled in a future period.

Note 7: Interest Bearing Liabilities

	2026 $'000	2025 $'000
Note 7.1: Leases		
Lease liabilities	**8,737**	13,265
Total leases	**8,737**	13,265
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	**5,017**	4,845
Between 1 to 5 years	**3,987**	8,992
Total leases	**9,004**	13,837

Total cash outflow for leases for the year ended 30 June 2026 was $4,849,000 (2025: $4,756,000).

CSC in its capacity as lessee has leases for office accommodation in Canberra and Sydney, as well as a data centre facility in Canberra.

Lease payments are subject to fixed annual increases of 3.5% for the Canberra office, fixed annual increases of 3.5% for the Sydney office, and variable annual rate increases for the Canberra data centre linked to a 'labour price index'. These lease agreements are non-cancellable in the normal course of business.

The Canberra office lease agreement contains an option to renew for a further term of three years, extending to 31 December 2030 and Sydney office lease agreement for a further term of five years, extending to 31 March 2034. The Canberra data centre facility lease agreement contains one year renewal options up to a maximum term to August 2027.

The above lease disclosures should be read in conjunction with the accompanying notes 2.2 and 5.1.

Accounting Policy

Leases

For all new contracts entered into, CSC considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or CSC's assumed incremental borrowing rate.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

Note 8: Provisions

	2026 $'000	2025 $'000
Note 8.1: Employee provisions		
Leave	**22,629**	19,488
Variable remuneration	**15,910**	14,089
Total employee provisions	**38,539**	33,577
Employee provisions expected to be settled in:		
No more than 12 months	**22,804**	20,231
More than 12 months	**15,735**	13,346
Total employee provisions	**38,539**	33,577

Accounting Policy

Liabilities for short-term employee benefits and termination benefits expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the Australian Government short hand method. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Variable Remuneration

Individual employment contracts specify a maximum percentage of the total fixed remuneration package (TRP) that the Board may determine to pay as short-term variable remuneration each year. The actual payment of variable remuneration is entirely at the discretion of the Board of Directors. Given this absolute discretion, the effective grant date for variable remuneration is the date of approval of payment by the Board of Directors. Notwithstanding this, a provision for variable remuneration expected to be granted and paid in respect of performance for the year is recognised at 30 June, as a constructive obligation to make the payments is considered to exist. Where variable remuneration meets the deferral threshold under APRA Prudential Standard *CPS 511 - Remuneration*, payment is expected to be paid in instalments between four to six years into the future. CSC has made a provision to reflect the present value of this obligation.

Note 8.2: Other provisions

	Provision for restoration obligations $'000	Total other provisions $'000
As at 1 July 2025	2,209	2,209
Additional provisions made	33	33
Unwinding of discount or change in discount rate	73	73
Total as at 30 June 2026	**2,315**	**2,315**

CSC currently has 1 (2025:1) agreement for the leasing of premises which has provisions requiring CSC to restore the premises to its original condition at the conclusion of the lease. CSC has made a provision to reflect the present value of this obligation and is expected to be settled more than 12 months of the reporting period.

Note 9: Cash Flow Reconciliation

	2026 $'000	2025 $'000
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash Flow Statement	**82,956**	44,679
Statement of Financial Position	**82,956**	44,679
Difference	**-**	-
Reconciliation of net contribution by services to net cash from operating activities		
Net contribution by services	**2,592**	180
Adjustments for non-cash items		
Depreciation and amortisation	**8,411**	8,117
Write down and impairment of assets	**-**	9
Other gains	**(3)**	(13)
Movements in assets and liabilities		
Assets		
Decrease/(increase) in trade and other receivables	**25,070**	(25,130)
(Increase)/decrease/ in prepayments	**(1,900)**	2,285
Liabilities		
(Decrease)/increase in supplier payables	**(1,130)**	1,950
Increase in other payables	**5,646**	966
Increase in employee provisions	**4,962**	5,667
Increase in other provisions	**73**	80
Net cash from/(used by) operating activities	**43,721**	(5,889)

Note 10: Appropriations

Note 10.1: Special Appropriations

Authority	Type	Purpose	Appropriation applied[1] 2026 $'000	2025 $'000
Superannuation Act 1922, Administered	Unlimited Amount	An Act to provide superannuation benefits for persons employed by the Commonwealth and by certain Commonwealth Authorities and to make provision for the families of those persons.	**(36,524)**	(39,753)
Superannuation Act 1976, Administered	Unlimited Amount	An Act to make provision for and in relation to an occupational superannuation scheme, known as the Commonwealth Superannuation Scheme, for persons employed by the Commonwealth and for certain other persons.	**(5,084,888)**	(5,054,968)
Superannuation Act 1990, Administered	Unlimited Amount	An Act to make provision for and in relation to an occupational superannuation scheme for persons employed by the Commonwealth, and for certain other persons.	**(4,813,657)**	(4,399,365)
Same Sex Relationships (Equal Treatment in Commonwealth Laws - Superannuation) Act 2008, Administered	Unlimited Amount	An Act to address discrimination against same-sex couples and their children in Commonwealth laws, and for other purposes.	**(46)**	(75)
Governance of Australian Government Superannuation Schemes Act 2011 - s35(3)(a) in the case of the 1922 Scheme, DFRB, DFRDB, DFSPB or PNG schemes	Unlimited Amount	An Act to make provision for any money becoming payable by CSC in respect of an action, liability, claim or demand that relates to the 1922 Scheme, DFRB, DFRDB, DFSPB or PNG schemes.	**(4)**	-

Note 10: Appropriations (continued)

Note 10.1: Special Appropriations (continued)

			Appropriation applied[1]	
			2026	2025
Authority	Type	Purpose	$'000	$'000
Governance of Australian Government Superannuation Schemes Act 2011 - s35(4) to reimburse the superannuation funds administered by CSC	Unlimited Amount	An Act to make provision for any money becoming payable by Commonwealth Superannuation Corporation (CSC) in respect of an action, liability, claim or demand that relates to any other cases not covered in s35(3)(a) of Governance of Australian Government Superannuation Schemes Act 2011.	**(117)**	(370)
Defence Forces Retirement Benefits Act 1948, Administered	Unlimited Amount	An Act to provide Retirement Benefits for Members of the Defence Force of the Commonwealth, and for other purposes.	**(31,067)**	(33,612)
Defence Force Retirement & Death Benefits Act 1973, Administered	Unlimited Amount	An Act to make provision for and in relation to a Scheme for Retirement and Death Benefits for Members of the Defence Force.	**(1,904,328)**	(1,863,062)
Military Superannuation and Benefits Act 1991, Administered	Unlimited Amount	An Act to make provision for and in relation to an occupational superannuation scheme for, and the payment of other benefits to, members of the Defence Force, and for related purposes.	**(2,770,084)**	(2,495,278)
Public Governance, Performance and Accountability Act 2013 Section 77	Refund	Repayments required or permitted by law (where no other appropriation for repayment exists).	**-**	-
Australian Defence Force Cover Act 2015	Unlimited Amount	An Act to provide a new statutory death and invalidity scheme.	**(209,580)**	(165,315)
Total			**(14,850,295)**	(14,051,798)

Note 10: Appropriations (continued)

Note 10.2: Disclosure by Agent in Relation to Annual and Special Appropriations[1]

2026	DFAT[2] $'000	Department of Finance $'000	Department of Defence $'000
Total receipts	**8**	**6,143,829**	**1,459,214**
Total payments	**(2,484)**	**(9,936,012)**	**(4,915,059)**

2025	DFAT $'000	Department of Finance $'000	Department of Defence $'000
Total receipts	22	5,211,518	1,437,668
Total payments	(2,642)	(9,495,223)	(4,557,267)

1. Amounts exclude recoverable GST.
2. Department of Foreign Affairs and Trade.

Note 10.3: Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law.

CSC operates from the CSC Special Account established under the *Public Governance, Performance and Accountability Act 2013* Section 80 in providing superannuation administration for Australian Government sponsored superannuation schemes. CSC, as an Agent, has third party access rights for the following Special Appropriations (refer note 10.1):

Department of Finance (Finance)

1. *Superannuation Act 1922;*
2. *Superannuation Act 1976;*
3. *Superannuation Act 1990;*
4. *Superannuation Act 2005;*
5. *Same-Sex Relationships (Equal Treatment in Commonwealth Laws - Superannuation) Act 2008;*
6. *Governance of Australian Government Superannuation Schemes Act 2011;*
7. *Annual Appropriation Act 1* (for Compensation & Legal payments and Act of Grace payments); and
8. *Annual Appropriation Act 2* (for Act of Grace payments).

Department of Defence (Defence)

1. *Defence Forces Retirement Benefits Act 1948;*
2. *Defence Forces Retirement and Death Benefits Act 1973;*
3. *Military Superannuation and Benefits Act 1991; and*
4. *Australian Defence Force Cover Act 2015.*

Department of Foreign Affairs and Trade (DFAT)

Annual Appropriation Act 1 (payments are made in accordance with the *Papua New Guinea (Staffing Assistance) Act 1973*).

Note 10: Appropriations (continued)

Note 10.3: Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund (continued)

Both the Financial Framework Legislation Amendment Act (No.2) 2012 (FFLA Act No.2 (2012)) and the Financial Framework Legislation Amendment Act (No.1) 2013 (FFLA Act No.1 (2013)) require that CSC disclose, refer tables below, the number of recoverable overpayments made during the financial year and the balance recovered to 30 June. The following tables set out, as required by the FFLA Act No.2 and FFLA Act No.1, the number and amount of all payments made beyond legislative pre-conditions for the period 1 July 2025 to 30 June 2026:

	Recoverable death payments[2]					
Legislation / Authority to pay[1]	2026			2025		
	No.	Value $'000	Recovered $'000	No.	Value $'000	Recovered $'000
DFAT – Annual Administered Appropriation						
Papua New Guinea (Staffing Assistance) Act 1973	**2**	**7**	**4**	5	25	22
Defence - Special Appropriations						
Defence Forces Retirement Benefits Act 1948; and Defence Forces Retirement and Death Benefits Act 1973	**778**	**2,543**	**2,047**	759	2,107	1,530
Military Superannuation and Benefits Act 1973	**65**	**145**	**83**	53	178	96
Australian Defence Force Cover Act 2015	**2**	**8**	**8**	1	2	-
Finance - Special Appropriations						
Superannuation Act 1922; and Superannuation Act 1976	**2,471**	**8,438**	**6,339**	2,392	6,567	4,605
Superannuation Act 1990	**395**	**1,534**	**1,225**	369	1,198	634

	Recoverable payments[3]					
		Value	Recovered		Value	Recovered
	No.	$'000	$'000	No.	$'000	$'000
DFAT – Annual Administered Appropriation						
Papua New Guinea (Staffing Assistance) Act 1973	**-**	**-**	**-**	-	-	-
Defence - Special Appropriations						
Defence Forces Retirement Benefits Act 1948; and Defence Forces Retirement and Death Benefits Act 1973	**72**	**2,130**	**2,073**	54	2,317	1,701
Military Superannuation and Benefits Act 1973	**87**	**1,356**	**983**	76	2,248	1,281
Australian Defence Force Cover Act 2015	**1**	**1**	**-**	3	76	13
Finance - Special Appropriations						
Superannuation Act 1922; and Superannuation Act 1976	**40**	**293**	**563**	74	824	410
Superannuation Act 1990	**108**	**552**	**166**	159	1,170	581

Note 10: Appropriations (continued)

Note 10.3: Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund (continued)

1. **Legislation**
Amounts paid under each Act are disclosed in Note 10.1 Special Appropriations and Note 11 Special Accounts.

2. **Recoverable death payments**
Legislative changes made in the FFLA Act No.2 and FFLA Act No.1 provides a mechanism, called a 'recoverable death payment' that provides authority for the inadvertent overpayments of some benefits, and for their recovery in line with the duty to pursue recovery of a debt under rule 11 of the *Public Governance, Performance and Accountability Rule 2015*.

3. **Recoverable payments**
Legislative changes made in the FFLA Act No.2 and FFLA Act No.1 provides a mechanism, called a 'recoverable payment', to address administrative issues common to CSC, that provides authority for the inadvertent overpayments of some benefits, and for their recovery in line with the duty to pursue recovery of a debt under rule 11 of the *Public Governance, Performance and Accountability Rule 2015*.

Note 11: Special Accounts

Note 11: Special Accounts

Recoverable GST Exclusive	CSC Special Account (Departmental)[1]		Services for Other Entities and Trust Moneys[2]	
	2026	2025	**2026**	2025
	$0'000	$0'000	**$0'000**	$0'000
Balance brought forward from previous period	**26,978**	40,917	**3,856**	2,937
Increases				
Other receipts	**244,220**	169,138	**269,705**	259,616
Statutory credits	**-**	49	**-**	-
Total increases	**244,220**	169,187	**269,705**	259,616
Available for payments	**271,198**	210,104	**273,561**	262,553
Decreases				
Departmental				
Payment made to suppliers	**(96,414)**	(87,182)	**-**	-
Payment made to employees	**(111,471)**	(95,542)	**-**	-
Interest payments on lease liabilities	**(305)**	(402)	**-**	-
Statutory credits	**(95)**	-		
Total departmental decrease	**(208,285)**	(183,126)	**-**	-
Special Public Money				
Payments made to others	**-**	-	**(269,708)**	(258,697)
Total special public money decrease	**-**	-	**(269,708)**	(258,697)
Total decreases	**(208,285)**	(183,126)	**(269,708)**	(258,697)
Balance represented by:				
Cash held in CSC bank accounts	**7,258**	1,428	**-**	-
Cash held in the Official Public Account	**55,655**	25,550	**3,853**	3,856
Total balance carried to the next period[3]	**62,913**	26,978	**3,853**	3,856

[1]. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 80.

Establishing Instrument: Section 29E *Governance of Australian Government Superannuation Schemes Legislation Amendment Act 2015.*

Purpose: For the receipt and expenditure of monies in connection with the provision of administration, accounting and other support services.

[2]. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 78.

Establishing Instrument: *PGPA Act Determination (Commonwealth Superannuation Corporation SOETM Special Account 2021)*

Purpose: For the receipt and expenditure of monies in connection with payments made on behalf of CSS, PSS, and MSBS, and for the receipt and expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth. The Trust monies represent returned benefits which have not yet been subsequently repaid to the member.

[3]. Amounts differ to Note 4.1 as the balances do not include cash on deposit held outside the Special Account. The closing balance of CSC Special Account (Departmental) and Services for Other Entities and Trust Moneys includes $Nil held in trust (2025: $Nil). See Note 17 Assets Held in Trust for more information.

Note 12: Key Management Personnel Remuneration

Key management personnel comprise the Directors of CSC and those Executives of CSC that have authority and responsibility for planning, directing and controlling the activities of CSC. Key management personnel remuneration is reported in the table below:

	2026 $'000	2025 $'000
Note 12: Key management personnel remuneration		
Short-term employee benefits	**7,056**	7,495
Post-employment benefits	**415**	361
Other long-term employee benefits	**150**	223
Termination benefits	**-**	888
Total key management personnel remuneration	**7,621**	8,967

The total number of key management personnel that are included in the above table are 17 individuals (2025: 19 individuals).

Note 13: Related Parties Disclosure

Related parties to CSC are the Directors, the Executive, the Portfolio Minister, other Australian Government, and entities within the CSC Group that CSC operates in the capacity as Trustee for, or otherwise has control or significant influence over. This includes (but not limited to) the entities listed in *Note 1 – Objectives of the Entity*.

Transactions with Related Parties
Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refunds of taxes, receipt of Services Australia rebates or payment of higher education loans. These transactions have not been disclosed in this note.

The following transactions with related parties occurred during the financial year:

- CSC transacts with other Australian Government controlled entities consistent with the normal day to day business operations under normal terms and conditions, including the payment of workers compensation insurance premiums (Note 2.2), and the receipt of defined benefit superannuation scheme administration fees and other revenue (Note 3.1);
- CSC received Trustee levies and defined contribution scheme administration fees from the Public Sector Superannuation Accumulation Plan (PSSap) and the Australian Defence Force Superannuation Scheme (ADF Super) (Note 3.1);
- CSC received fees from the ARIA Investments Trust (AIT) to recover the cost of managing the investments of the Schemes (Note 3.1);
- Refer to Note 8.1 Employee Provisions for details on superannuation arrangements with the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), and the Public Sector Superannuation Accumulation Plan (PSSap).

The following key management personnel were members of the schemes for which CSC is the Trustee:

Scheme	Directors	Executives
PSS	Juliet Brown	Nevein Versace
MSBS	Lee Goddard, David Mulhall	-
PSSap	Melissa Donnelly, Emilio Gonzalez	Catharina Armitage, Robert Firth, Damian Hill, Adam Nettheim, Alison Tarditi and Andy Young

The terms and conditions of membership for any key management personnel are the same as for any other member who are not key management personnel.

Note 14: Financial Instruments

	2026 $'000	2025 $'000
Note 14.1: Categories of financial instruments		
Financial assets measured at amortised cost		
Cash and cash equivalents	**82,956**	44,679
Trade and other receivables	**14,510**	39,675
Total financial assets at amortised cost	**97,466**	84,354
Financial liabilities measured at amortised cost		
Trade creditors and accruals	**6,468**	7,698
Other payables	**3,593**	3,247
Total financial liabilities measured at amortised cost	**10,061**	10,945

Accounting Policy

Financial assets

Under AASB 9 *Financial Instruments*, CSC classifies its financial assets in the following categories:

a) financial assets at fair value through profit or loss; and

b) financial assets measured at amortised cost.

The classification depends on both the CSC's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when CSC becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and

2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets either doesn't meet the criteria of financial assets held at amortised cost or at FVOCI (i.e. mandatorily held at FVTPL) or may be designated.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to *lifetime expected credit losses* where risk has significantly increased, or an amount equal to *12-month expected credit losses* if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Note 14: Financial Instruments (continued)

Note 14.1: Categories of financial instruments (continued)

Accounting Policy (continued)

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or financial liabilities 'at amortised cost'. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

	2026 $'000	2025 $'000
Note 14.2: Net Gains or Losses on Financial Assets		
Financial assets at amortised cost		
Interest revenue	**742**	720
Net gains on financial assets at amortised cost	**742**	720

Note 14.3: Net Gains or Losses on Financial Liabilities

There is $Nil net interest expense from financial liabilities not at fair value through profit or loss (2025: $Nil)

Note 14.4: Fair Value of Financial Instruments

The carrying amount for all financial assets and liabilities is equal to their fair value in the years ending 30 June 2026 and 30 June 2025.

Note 14.5: Liquidity Risk

CSC's financial liabilities are suppliers and other payables. The exposure to liquidity risk is based on the notion that CSC will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to funding received for specific projects and internal policies and procedures put in place to ensure there are appropriate resources to meet CSC's financial obligations.

As at 30 June 2025, CSC's non-derivative financial liabilities consisted of trade creditors and accruals of $6,468,000 (2025: 7,698,000) and other liabilities of $3,593,000 (2025: 3,247,000). All amounts are expected to be settled within one year, and CSC does not have any financial liabilities maturing beyond this period.

During 2025-26 the majority of CSC's activities were funded through direct charges for scheme administration services and trustee services. CSC manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, CSC has procedures in place to ensure timely payments are made when due and has no past experience of default.

Note 14: Financial Instruments (continued)

Note 14.6: Credit Risk

CSC is exposed to minimal credit risk as loans and receivables are comprised of trade receivables only. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the balance of trade receivables and reimbursements (excluding GST receivable) 2026: $14,510,000 (2025: $39,675,000).

Maximum Exposure to Credit Risk

	2026 $'000	2025 $'000
Financial assets carried at amount not best representing maximum exposure to credit risk		
Cash and cash equivalents	**82,956**	44,679
Receivables for services	**14,424**	39,675
Other receivables	**86**	-
Total financial assets carried at amount not best representing maximum exposure to credit risk	**97,466**	84,354

CSC has assessed the risk of the default on payment and has an expected credit loss allowance: $Nil (2025: $Nil). CSC has calculated its impairment loss allowance based on its historical observed default rates, adjusted for forward-looking estimates. CSC is exposed to low levels of credit risk as majority of its debtors are the ARIA Investment Trust and PSSap and ADF schemes, who have low risk of default. CSC manages credit risk by following up debtors before the due date to ensure payment. In addition, policies and procedures are in place that guide employee debt recovery techniques. CSC holds no collateral to mitigate against credit risk.

Note 14.7: Fair Value of Financial Instruments

CSC holds basic financial instruments that do not materially expose CSC to market risks, including 'interest rate risk', 'currency risk' or 'other price risk'.

Note 15: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value. The remaining assets and liabilities disclosed in the Statement of Financial Position do not apply the fair value hierarchy.

The different levels of the fair value hierarchy are defined below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that CSC can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset and liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Accounting Policy

Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Independent valuers conducted the fair value assessment of the carrying values of property, plant and equipment as at 30 June 2024. Independent valuers conducted the fair value assessment for the leasehold improvements asset class as at 30 June 2026, following an update to makegood provisions impacting the valuation of the asset class.

Note 15: Fair Value Measurements (continued)

Note 15.1: Fair Value Measurement

	2026 $'000	2025 $'000	Category (Level 1, 2 or 3)[3,4,5]	Valuation Technique[1]	Inputs used	Sensitivity Analysis
Non-financial assets[2]						
Leasehold improvements	**3,562**	5,242	Level 3	Depreciated replacement cost	Replacement cost new Consumed economic benefit/ Obsolescence of asset	Significant movements in any of the inputs in isolation would result in a significantly different fair value measurement. A change in the assumption used for replacement cost is accompanied by a directionally similar change in the fair value of leasehold improvements and PP&E. A change in the assumption used for consumed economic benefit/obsolescence of asset is accompanied by a directionally opposite change in the fair value of leasehold improvements and PP&E.
Property, plant and equipment (PP&E)[6]	**3,386**	3,711	Level 3	Depreciated replacement cost	Replacement cost new Consumed economic benefit/ Obsolescence of asset	
Total non-financial assets	**6,948**	8,953				
Total fair value measurements of assets in the Statement of Financial Position	**6,948**	8,953				

1. There were no changes in valuation technique used from previous years.
2. CSC's assets are held for operational purposes and are not held for the purposes of deriving a profit. The current use of all-non financial assets is considered their highest and best use.
3. The remaining assets and liabilities reported by CSC are not measured at fair value in the Statement of Financial Position.
4. CSC did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2026.
5. There have been no transfers between level 1 and level 2 of the hierarchy during the year.
6. Property, plant and equipment does not include right of use asset for motor vehicles.

Note 15: Fair Value Measurements (continued)

Note 15.1: Fair Value Measurement (continued)

Material level 3 inputs utilised by CSC have been derived and evaluated as follows:

Consumed economic benefit/obsolescence of asset

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the cost (depreciated replacement cost (DRC)) approach. Under the DRC approach the estimated cost to replace the asset is calculated and then adjusted to take into account its consumed economic benefit/asset obsolescence (accumulated depreciation). Consumed economic benefit/asset obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration.

Note 15.2: Reconciliation for Recurring Level 3 Fair Value Measurements

	Leasehold Improvements		Property, Plant and Equipment[2]		Total	
	2026	2025	**2026**	2025	**2026**	2025
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
As at 1 July	**5,242**	4,982	**3,711**	4,109	**8,953**	9,091
Total losses recognised in net contribution by service[1]	**(1,794)**	(1,621)	**(1,595)**	(1,588)	**(3,389)**	(3,209)
Total gains recognised in other comprehensive income[3]	**114**	131	**-**	-	**114**	131
Purchases	**-**	1,750	**1,270**	1,190	**1,270**	2,940
Total as at 30 June	**3,562**	5,242	**3,386**	3,711	**6,948**	8,953

1. These losses are presented in the Statement of Comprehensive Income under depreciation and amortisation expense and write-down and impairment of assets. No assets were transferred into or out of level 3 during the year.
2. Property, plant and equipment does not include right of use assets for motor vehicles.
3. These net gains are presented in the Statement of Comprehensive Income under Other gains and write-down and impairment of other assets.

Note 16: Current/Non-Current Distinction for Assets and Liabilities

	2026 $'000	2025 $'000
Assets expected to be recovered in[1]:		
No more than 12 months		
Cash and cash equivalents	**82,956**	44,679
Trade and other receivables	**14,722**	39,792
Prepayments	**10,437**	9,782
Total no more than 12 months	**108,115**	94,253
More than 12 months		
Buildings (ROU Asset)	**5,542**	8,679
Leasehold improvements	**3,562**	5,242
Property, plant and equipment	**3,407**	3,756
Intangibles	**5,774**	6,486
Prepayments	**1,634**	389
Total more than 12 months	**19,919**	24,552
Total assets	**128,034**	118,805
Liabilities expected to be settled in[2]:		
No more than 12 months		
Suppliers	**6,468**	7,698
Other payables	**9,404**	3,758
Lease liabilities	**4,832**	4,540
Employee provisions	**24,851**	22,182
Total no more than 12 months	**45,555**	38,178
More than 12 months		
Other payables	**681**	681
Lease liabilities	**3,905**	8,725
Employee provisions	**13,688**	11,395
Other provisions	**2,315**	2,209
Total more than 12 months	**20,589**	23,010
Total liabilities	**66,144**	61,188
Total current/non-current distinction for assets and liabilities	**61,890**	57,617

1. Current and non-curent assets are benefits anticipated to be recovered within one year or beyond one year respectively.
2. Current and Non-current liabilities are those that can be legally called upon and/or obligated to be settled within one year or beyond one year respectively.

Note 17: Assets Held in Trust

Monetary assets

Shown below are the values of gross assets held in Trust by CSC in its capacity as Trustee of the CSS, PSS, PSSap, MSBS and ADF Super. The assets comprise units in the AIT, for which CSC is also Trustee, plus cash and cash equivalents and sundry debtors.

	2026 $'000	2025 $'000
CSS		
Opening balance	**893,720**	1,044,965
Closing balance	**775,588**	893,720
PSS		
Opening balance	**28,184,384**	28,094,184
Closing balance	**27,061,173**	28,184,384
PSSap		
Opening balance	**30,650,006**	26,341,570
Closing balance	**35,269,706**	30,650,006
MSBS		
Opening balance	**15,252,641**	13,922,085
Closing balance	**16,534,476**	15,252,641
ADF Super		
Opening balance	**2,859,225**	2,149,219
Closing balance	**3,708,702**	2,859,225

Note 18: Reporting of Outcomes

CSC has one outcome, being: 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 (Outcome 1).

Refer to the Statement of Comprehensive Income for Outcome 1 income and expenses and the Statement of Financial Position for Outcome 1 assets and liabilities.

Section 9

Appendix

Appendix

Scheme customers and transactions

Scheme customer numbers at 30 June 2026		Scheme transactions 2025–26	$million
CSS (excluding 1922 and PNG schemes)			
Contributors	543	Contributions	7.652
Deferred	1,129	**Benefits paid**	
Pensioners*	88,982	Lump sum***	89.171
Total	90,654	Pensions	4,999.084
PSS			
Contributors	44,506	Contributions	689.834
Preserved	77,513	**Benefits paid**	
Pensioners*	82,406	Lump sum***	827.272
Total	204,425	Pensions	4,029.917
PSSap			
Contributors**	159,114	Contributions	3,325.268
Preserved	5,951	**Benefits paid**	
Pensioners	3,837	Lump sum	1,194.371
Total	177,291	Pensions	95.916
MilitarySuper			
Contributors**	24,454	Contributions	332.748
Preserved	120,364	**Benefits paid**	
Pensioners*	37,574	Lump sum***	560.945
Total	182,392	Pensions	2,399.252
ADF Super			
Contributors	45,870	Contributions	735.312
Preserved	1,907	**Benefits paid**	86.898
Total	47,777		
ADF Cover			
Pensioners	3,189	Pensions	202.166
Total	3,189		
DFRDB (excluding DFRB)			
Contributors	305	Customer contributions	2.116
Preserved	0	**Benefits paid**	
Pensioners*	48,130	Lump sum	24.912
Total	**48,435**	**Pensions**	**1,878.943**

* Pensioners figures indicate the number of pension accounts, not the number of individuals who get a pension (e.g. one account can have multiple children or spouses paid from it).

** Ancillary customers are not included in either PSSap or MilitarySuper contributor figures.

*** Lump sum figures indicate lump sum amounts paid from the respective scheme Fund and from the Consolidated Revenue Fund (by the Australian Government).

1922 Scheme had 890 pensioner accounts at 30 June 2026; pension payments in 2025–26 totalled $36.524m.

PNG Scheme had 43 pensioner accounts at 30 June 2026; pension payments in 2025–26 totalled $2.484m.

DFRB Scheme had 1,189 pensioner accounts at 30 June 2026; pension payments in 2025–26 totalled $31.067m.

Contributions for each of the schemes include employer contribution, customer contribution, roll-ins, co-contribution and LISC with exception of DFRDB.

Section 10

Glossary

Glossary

ABN	Australian Business Number
ACTU	Australian Council of Trade Unions
ADF	Australian Defence Force
ADF Cover	Australian Defence Force Cover
ADF Cover Act	*Australian Defence Force Cover Act 2015*
ADF Super	Australian Defence Force Superannuation
ADF Super Act	*Australian Defence Force Superannuation Act 2015*
AFS licence	Australian Financial Services licence
APRA	Australian Prudential Regulation Authority
APS	Australian Public Sector
ARIA	Australian Reward Investment Alliance
ASFA	Association of Superannuation Funds of Australia
AUM	Assets under management, sometimes called funds under management (FUM), measures the total market value of all financial assets which a financial institution, such as a mutual fund, venture capital firm, or brokerage house, manages on behalf of its client and themselves
CEO	Chief Executive Officer
CIO	Chief Investment Officer
CPI	Consumer Price Index
CPSU	Community and Public Sector Union
CSC	Commonwealth Superannuation Corporation
CSCri	Commonwealth Superannuation Corporation retirement income
CSS	Commonwealth Superannuation Scheme
CSS Act	*Superannuation Act 1976*
DFRB	Defence Forces Retirement Benefits Scheme
DFRB Act	*Defence Forces Retirement Benefits Act 1948*
DFRDB	Defence Force Retirement and Death Benefits Scheme
DFRDB Act	*Defence Force Retirement and Death Benefits Act 1973*
DFSPB	Defence Force (Superannuation) (Productivity Benefit) Determination 1988
ESG	Environmental, social and governance
GAGSS Act	*Governance of Australian Government Superannuation Schemes Act 2011*

IFS	Industry Fund Services
IP	Income protection
MilitarySuper	Military Superannuation and Benefits Scheme, *Military Superannuation and Benefits Scheme Act 1991*
NPS	Net Promoter Score
PDS	Product Disclosure Statement
PGPA Act	*Public Governance, Performance and Accountability Act 2013*
PGPA Rule	*Public Governance, Performance and Accountability Rule 2014*
PNG Act	*Papua New Guinea (Staffing Assistance) Act 1973*
PNG Scheme	Papua New Guinea Scheme
PRI	Principles for Responsible Investment
PSS	Public Sector Superannuation Scheme
PSS Act	*Superannuation Act 1990*
PSSap	Public Sector Superannuation accumulation plan
PSSap Act	*Superannuation Act 2005*
RIS	Retirement Income Strategy
RSE	Registrable Superannuation Entity
RSEL	Registered Superannuation Entity licence
SIS Act	*Superannuation Industry (Supervision) Act 1993*
TPD	Total and permanent disability
1922 Act	*Superannuation Act 1922*

Section 11

Reporting Requirements

Reporting Requirements

Table 38. Index of CSC's annual reporting requirements

Requirements under *Governance of Australian Government Superannuation Schemes Act 2011*	
Information on the performance of CSC's functions in relation to each superannuation scheme and each superannuation fund administered by CSC (other than the 1922 Scheme, DFRB, DFRDB, DFSPB, ADF Cover and PNG) during 2025–26 set out in the GAGSS Act.	Available on pages 90–96.
Information on the general administration of the DFRDB Act, the DFRB Act, the ADF Cover Act, the PNG Act and the 1922 Scheme Act during 2025–26 as set out in the GAGSS Act.	Available on pages 95, 97–98.
Information on the performance of CSC functions in relation to the DFSPB during 2025–26.	Available on page 98.
Financial statements in respect of CSC in a form agreed between the Minister and the CSC Board.	Available on pages 99–139.

Requirements under *Public Governance, Performance and Accountability Rule 2014*	
Details of the legislation establishing CSC.	Available on page 6.
A summary of the objectives and functions of CSC as set out in the establishing legislation. A summary of the purposes of CSC as included in CSC's Corporate Plan for the period.	Available on page 6. Available on page 15.
The names and titles of persons holding the position of responsible Minister or Ministers during 2025–26. Any directions given to CSC by a Minister under an Act/instrument during 2025–26.	Responsible Ministers during 2025–26 were: Senator the Hon Katy Gallagher, Minister for Finance The Hon Richard Marles MP, Minister for Defence N/A – no directions were given during the year.
Any government policy orders that applied in relation to CSC under section 22 of the PGPA Act. Explanation of non-compliance with a direction or government policy order (this requirement is intended to assist readers to understand why a corporate Commonwealth entity has acted in a particular way).	N/A – no government policy orders applied during the year. N/A – no government policy orders applied during the year.
Requirements under Public Governance, Performance and Accountability Rule 2014	

Annual performance statements for CSC for the period in accordance with section 39(1)(b) of the PGPA Act and section 16F of the PGPA Rule 2014.	Available on page 15.
A statement of any significant issue reported to the responsible Minister under section 19(1)(e) of the PGPA Act that relates to non-compliance with the finance law in relation to CSC (an outline of the action taken to remedy the non-compliance is also required).	N/A – no significant issue was reported to the responsible Minister during the year under this section.
Information on the accountable authority, or each member of the accountable authority, of CSC in 2025–26, which include the accountable authority/member's name/s, qualifications, experience, the number of meetings attended and if a non-executive or executive member.	Available on pages 15, 32–44.
An outline of the organisational structure of CSC (including any subsidiaries of CSC).	CSC organisational chart, page 49.
Statistics on CSC's employees including statistics on full-time employees, part-time employees, gender and staff location.	Available on pages 50–53.
An outline of the location (whether or not in Australia) of major activities or facilities of CSC.	CSC has two major office locations: Canberra and Sydney.
Information in relation to the main corporate governance practices used by CSC in 2025–26.	Available on pages 46–49.
CSC's decision-making process if: the decision is to approve CSC paying for a good/service from another Commonwealth entity/company; or providing a grant to another Commonwealth entity/company; and CSC and the other Commonwealth entity/company are related entities; and the value of the transaction (or if there is more than one transaction, the aggregate value of the transactions) is more than $10,000 (inclusive of GST). If there is only one transaction, the value of that transaction must be included. If there is more than one transaction, the number of transactions and the aggregate value of those transactions is also required. (Two Commonwealth entities are related if an individual is a member/director of the board of both entities.)	N/A – these circumstances did not apply to CSC during the year. Also see Note 13 of the CSC Financial Statements for transactions with related entities, on p132.

Requirements under *Public Governance, Performance and Accountability Rule 2014*	
Any significant activities and changes that affected the operations or structure of CSC during 2025–26. Significant activities or changes may include: • significant events such as forming or participating in the formation of a company • operational and financial results of the entity • key changes to the entity's state of affairs or principal activities; and • amendments to the entity's enabling legislation and to any other legislation directly relevant to its operation.	On 1 April 2026, Mercer Administration Services transitioned to Apex Group, establishing Apex as CSC's primary external administration service provider. Project Symphony Phase One was successfully implemented in February 2026, resulting in anticipated disruption to defined contribution administration operations. Recovery activities continued throughout the reporting period to restore service levels and operational performance.

Requirements under *Public Governance, Performance and Accountability Rule 2014*	
Particulars of judicial decisions/administrative tribunals made during the period that have had, or may have, a significant impact on the operations of CSC.	N/A
Particulars of any report on CSC given in 2025–26 by the Auditor-General (other than a report under section 43 of the PGPA Act which deals with the Auditor-General's audit of annual financial statements); or a Committee of either House, or both Houses, of Parliament; or the Commonwealth Ombudsman; or the Office of the Australian Information Commissioner.	N/A
If the accountable authority has been unable to obtain information from a subsidiary of the entity required to be included in the annual report – an explanation of the information that was not obtained and the effect of not having this information on the report.	N/A
Information about executive remuneration.	Available on pages 58–59. See pages 54–57 for information on CSC's remuneration policies and practices.
Information about the Audit Committee, specifically requirements under s 17BE(taa) including: The following information about the Audit Committee for the entity: (a) a direct electronic address of the charter determining the functions of the Audit Committee (b) the name of each member of the Audit Committee (c) the qualifications, knowledge, skills or experience of each member of the Audit Committee	Available on page 40–41, 48–49 and 57.

(d) information about each member's attendance at meetings of the Audit Committee (e) the remuneration of each member of the Audit Committee.	
Details of any indemnity that applied in 2025–26 to the accountable authority, any member of the accountable authority or officer of CSC against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs).	See page 33.
An index of where CSC's mandatory annual reporting requirements can be found within this annual report.	This report's requirements table, see page 148.
Details of how CSC's Annual Report (i.e. this report) was approved and when approval was given. This report must be approved by the CSC Board or a member of the Board and must be signed by a member of the Board. A statement that the CSC Board is responsible for preparing and giving the annual report to the responsible Minister in accordance with section 46 of the PGPA Act is also required.	CSC's Board approved the report on 27 August 2026. Other details are shown on page iii.

Requirements under *Public Governance, Performance and Accountability Rule 2014*	
CSC's Annual Report must comply with the presentation and printing standards required for documents which are to be presented to Parliament.	This requirement is met throughout the report.
CSC's Annual Report must be presented in plain English and clear design to accommodate the needs and interests of both Parliament and other persons potentially interested in CSC's report (which in specific terms means this report must be constructed in an accessible manner, with the information presented in relevant, reliable, concise, understandable and balanced way, using appropriate headings and adequate spacing, a glossary to define acronyms and technical terms, and tables, graphs, charts and diagrams instead of text wherever possible).	This requirement is met throughout the report (a version will also be available on the Australian Government Transparency Portal so the report content is accessible to people with a disability who are interested in CSC's report).

List of Requirements – corporate Commonwealth entities

PGPA Rule Reference	Part of Report	Description	Requirement
17BE	Contents of annual report		
17BE(a)	About CSC.	Details of the legislation establishing the body.	Mandatory
17BE(b)(i)	Our legislative objectives and functions.	A summary of the objects and functions of the entity as set out in legislation.	Mandatory
17BE(b)(ii)	Managing and investing our funds.	The purposes of the entity as included in the entity's Corporate Plan for the reporting period.	Mandatory
17BE(c)	Hon Senator Katy Gallagher, Minister for Finance; The Hon Richard Marles, Minister for Defence.	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers.	Mandatory
17BE(d)	N/A – no directions were given during the year.	Directions given to the entity by the Minister under an Act or instrument during the reporting period.	If applicable, Mandatory
17BE(e)	N/A – no government policy orders applied during the year.	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act.	If applicable, Mandatory
17BE(f)	N/A – no government policy orders applied during the year.	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act.	If applicable, Mandatory
17BE(g)	CSC's Annual Performance Statements.	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule.	Mandatory
17BE(h),17BE(i)	N/A – no significant issue was reported to the responsible Minister during the	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with	If applicable, Mandatory

	year under this section.	finance law and action taken to remedy non-compliance.	
17BE(j)	Our Board of Directors.	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period. This includes: name, qualifications, experience, number of meetings attended and whether the member is an executive or non-executive member.	Mandatory
17BE(k)	Our organisational chart.	Outline of the organisational structure of the entity (including any subsidiaries of the entity).	Mandatory
17BE(ka)	Our human resources.	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees (b) statistics on part-time employees (c) statistics on gender (d) statistics on staff location.	Mandatory
17BE(l)	CSC has two major office locations: Canberra and Sydney.	Outline of the location (whether or not in Australia) of major activities or facilities of the entity.	Mandatory
17BE(m)	Our Governance.	Information relating to the main corporate governance practices used by the entity during the reporting period.	Mandatory
17BE(n),17BE(o)	N/A – these circumstances did not apply to CSC during the year.	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than $10,000 (inclusive of GST): (a) the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions.	If applicable, Mandatory

17BE(p)	Outgoing directors replaced with new directors.	Any significant activities and changes that affected the operation or structure of the entity during the reporting period.	If applicable, Mandatory
17BE(q)		Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity.	If applicable, Mandatory
17BE(r)	N/A	Particulars of any reports on the entity given by: (a) the Auditor-General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner.	If applicable, Mandatory
17BE(s)	N/A	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report.	If applicable, Mandatory
17BE(t)	Director Indemnity	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs).	If applicable, Mandatory
17BE(taa)	Board committees.	The following information about the Audit Committee for the entity: (a) a direct electronic address of the charter determining the functions of the Audit Committee (b) the name of each member of the Audit Committee (c) the qualifications, knowledge, skills or experience of each member of the Audit Committee (d) information about each member's attendance at meetings of the Audit Committee (e) the remuneration of each member of the Audit Committee.	Mandatory
17BE(ta)	Our staff remuneration.	Information about executive remuneration.	Mandatory

17BF	Disclosure requirements for government business enterprises		
17BF(1)(a)(i)	N/A	An assessment of significant changes in the entity's overall financial structure and financial conditions.	If applicable, Mandatory
17BF(1)(a)(ii)	N/A	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial conditions.	If applicable, Mandatory
17BF(1)(b)	N/A	Information on dividends paid or recommended.	If applicable, Mandatory
17BF(1)(c)	N/A	Details of any community service obligations the government business enterprise has including: (a) an outline of actions taken to fulfil those obligations; and (b) an assessment of the cost of fulfilling those obligations.	If applicable, Mandatory
17BF(2)	N/A	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise.	If applicable, Mandatory

Other legislative requirements

Legislation	Part of report	Description	Requirement
Environment Protection and Biodiversity Conservation Act 1999	Chapter 4: Our Governance	Detailed account of the activities performed (and ongoing) to meet Environment Protection and Biodiversity Conservation Act obligations.	Mandatory
Work Health and Safety Act 2011	Chapter 4: Our Governance	Outline of the activities performed (and ongoing) to meet Work Health and Safety obligations.	Mandatory

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