

PSS FINANCIAL OVERVIEW 2020–21

Table 47. PSS unaudited financial information for 2020–21

	\$'000
Net assets available to pay benefits as at 30 June 2020	20,382,143
Inflows	
Changes in fair value of investments	3,589,238
Insurance premiums charged to customers	3,424
Other revenue	3,231
Member contributions	578,611
Employer contributions	177,227
Low income superannuation tax offset contributions	252
Government co-contributions	675
Net appropriation from Consolidated Revenue Fund	1,339,580
Outflows¹	
Benefits and pensions paid	(2,882,242)
Insurance premiums paid	(3,424)
Income tax expense	(26,386)
Net assets available to pay benefits as at 30 June 2021	23,162,329
Assets and liabilities as at 30 June 2021²	
Investments ³	23,161,174
Cash	43,622
Other receivables	1,709
Benefits payable	(21,800)
Other payables	(1,433)
Net tax liabilities	(20,943)
Net assets as at 30 June 2021	23,162,329

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

²Excludes customer benefit liabilities of \$94.1 billion, of which \$71.0 billion is funded by the Commonwealth Government.

³The value of investments shown above reconciles with the total Fund values shown in Table 11 on page 21 as follows:

	\$'000
PSS Options	
Default Fund	23,066,047
Cash Investment Option	55,145
Investments backing the operational risk reserve	74,578
Total Fund	23,195,770
Add/(less)	
Adjustment from unit pricing to financial statements valuation basis	(34,596)
	23,161,174

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

The AIT invests in multiple specialist investment funds and portfolios.

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

The operating surplus or deficit generated by the AIT is reflected in daily unit prices released by the AIT for its unitholders including PSS, and daily earning rates based on the unit prices are published on the CSC website.

If you would like to see a copy of PSS audited financial statements for this year and the report from the auditor, please refer to our Annual Report to Parliament (which is published and tabled in Parliament in October) at csc.gov.au, send an email to members@pss.gov.au, call us on **1300 000 377** or write to PSS, GPO Box 2252, Canberra ACT 2601.

The Scheme holds an operational risk reserve. The purpose of the operational risk reserve (ORR) is to provide adequate financial resources to address potential losses arising from an operational risk event (such as the use of an inaccurate unit price or earning rate to process a transaction that results in losses to the fund or to customers). The operational risk reserve target amount is determined in accordance with CSC's Operational Risk Financial Requirement Strategy, and any accruals to and calls upon the reserve are also managed in accordance with that strategy. The total of the reserve as at 30 June for the past three years was \$74.6 million in 2021, \$73.9 million in 2020 and \$71.2 million in 2019.