Australian Government
Commonwealth Superannuation Corporation

Annual Member Meeting 2023:
Responses to questions asked during the meeting

1. Can you please discuss the cash option in a bit more detail now that it's a more feasible investment option. For example do we have exposure to write down in bonds values? What does the cash fund comprise of? And how long is the lag between an increase in the cash rate and an increase in returns on cash investments?

Alison Tarditi (CIO) answered at AMM 8 Nov 2023: The cash option is exactly as described. It is a pure cash option. We don't invest in credit risk within the cash option. It's just some bank bills, some term deposits. That's it. So it's very plain, very vanilla. It's role in our suite of investment options is purely to preserve capital.

Additional information: Our cash options, e.g. PSSap cash option, is benchmarked to the Bloomberg AusBond Bank Bill index and is expected to perform in line with this index, gross of fees and expenses, over its rolling horizon of 1 year. The index comprises instruments defined by rates akin to the RBA 24-hour cash rate, 1 month bank bill swap rate, and 3 month bank bill swap rate. Individual securities all have a term of less than 1 year and the portfolio duration is a maximum of 120 days. As the CIO stated at the AMM, this is a pure cash option with no corporate bond exposure; no mortgage-backed securities; no offshore securities; no hybrid securities; and no credit default swaps. The minimum credit quality for the total portfolio is A/A1, with a minimum rating for individual securities of A/A1 at purchase. Non-bank issuers cannot exceed a maximum of 2% of the portfolio. Highly liquid exposure is more than 70%, with some term deposits making up the less liquid, but well-understood longer maturity exposure. For more information, please refer to our PDS.

2. The CEO mentioned the commitment to invest in sustainability/transition. I've heard recently of significant wind generation write-downs in the past days in Europe that suggests overinvestment in renewable energy and may be indicative of the rush into such investments. Is the fund investing in sustainability/transition on criteria other than financial return?

Damian Hill (CEO) answered at AMM: I think we've got to be conscious that we are making a huge transition of the economy and the energy basis for that. We certainly believe in a just transition, that we have to take the community along for the ride in the things that we do. It's not just a transition; it's got to be just and fair. It interacts with the social aspect of this as well. But our fundamental responsibility is obviously to produce those financial returns that I talked about.

We have invested and continue to invest in the transition, but you need to understand that when there's a lot of capital, and there is a need for a lot of capital, these sort of assets, like any other assets, can be subject to booms and busts as well. So we're very conscious of that. So it's not just because there's going to be a lot of area in there that they are – they might be good assets, but they aren't necessarily good investments. We've got to get them to be good investments to produce the financial return, not just as good assets.

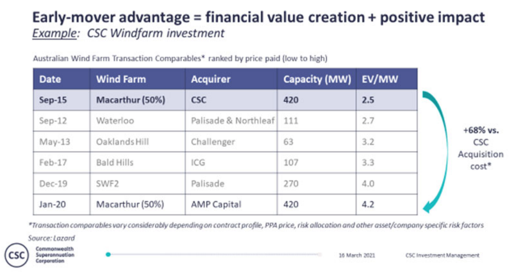
So we have in the past invested in wind farms. We continue to invest in other technological breakthroughs or potential here. We've also sold wind farms as well, and so we did sell a wind farm. It sounds strange and counterintuitive that, okay, we're investing in the just transition, but we found an investor that was wanting to pay a price that we thought locked in financial returns for our *customers. So it's not just blindly going there. You've got to assess these, this area, like any other investment area as well. Is there anything you want to add to that, Alison?*

Alison Tarditi (CIO) at AMM: Yes, thank you. Look, I think the short answer is no. Our fiduciary duty is to provide financial security to our customers in retirement, and we do that by ensuring that the assets we invest in are high quality and can compensate our customers for the capital at risk that they're providing to those opportunities. Now, having said that, if there are positive externalities to the system from investing robustly, then we count that as an additional win.

As Damian mentioned, we were early, and I think being an early mover into any asset space, as I mentioned in my prepared remarks, is part of the reason we believe we can be successful, because we can generate a return by buying well, and we can also, as Damian mentioned, recycle capital when everybody else cottons onto the theme, and decides that it's a good idea, and invests thematically.

So we're able to recycle the capital away from wind farms, and we've done that. We recycled it into developers across the renewable space in Europe and elsewhere, across solar biomass, hydrogen, and storage, also across water use efficiency, and waste management infrastructure projects. So we're always trying to be ahead of the curve, not behind it.

Additional information: **"***We initiated transparency on [climate] risk to your future savings back in 2009, when we invited the Climate Institute to measure our portfolio's carbon footprint. In 2015, we acquired half of the* ***largest windfarm*** *in the Southern Hemisphere at that time, being Macarthur wind farm.*


Early-mover advantage = financial value creation + positive impact
Example: CSC Windfarm investment

Australian Wind Farm Transaction Comparables* ranked by price paid (low to high)

Date	Wind Farm	Acquirer	Capacity (MW)	EV/MW
Sep-15	Macarthur (50%)	CSC	420	2.5
Sep-12	Waterloo	Palisade & Northleaf	111	2.7
May-13	Oaklands Hill	Challenger	63	3.2
Feb-17	Bald Hills	ICG	107	3.3
Dec-19	SWF2	Palisade	270	4.0
Jan-20	Macarthur (50%)	AMP Capital	420	4.2

+68% vs. CSC Acquisition cost*

*Transaction comparables vary considerably depending on contract profile, PPA price, risk allocation and other asset/company specific risk factors

Source: Lazard

CSC Commonwealth Superannuation Corporation 16 March 2021 CSC Investment Management

This investment has generated strong returns of 14% p.a. to December 2020[1] *not in small part because we recognised the structural tailwinds to renewables <u>before</u> others did, and were therefore able to make a very low-risk investment at a relatively low price per megawatt of generation capacity. Our competitors, who have recently followed us into renewable energy, have been assuming greater risk and paying up to 68% more than we did" ~ CIO, 2020 AMM*

"*As these assets appreciated strongly and our domain expertise increased, we have been able to recycle that capital into higher-returning development platforms – platforms that build new operating renewables assets across solar, wind, biomass and hydro.*

These businesses are valuable to <u>your</u> retirement outcomes because their financial returns are largely insulated from short-term economic conditions. Instead, their cash flows benefit from long-term power purchase agreements or regulated inflation-linked tariffs. " ~ CIO 2022 AMM

[1] Updated: Over the period CSC held the investment, customers benefited from a 15% p.a. gross returns before deduction of management and performance fees. (September 2015 to March 2023).

3. How does CSC compare with other funds (in performance?) Where is it situated on the 'ladder' of funds?

For the CSC accumulation funds in the PSSap and ADF Super schemes, we offer three pre-mixed investment options, designed for different life stages:

- Aggressive option is suitable for people with a long time to retirement and therefore more focused on capital growth;
- Income-focused is suitable for people closer to retirement who are more focused on capital security; and
- MySuper Balanced default fund is targeted to our average customer, and designed to offer a greater certainty of outcome, regardless of retirement date).

Investment Option	Post-tax Return Objective	Risk Limit		Investment Horizon
Aggressive	CPI +4%	Probability of Annual Loss:	30%	15 years
		Negative years in 20:	*6*	
MySuper (Default)	CPI +3.5%	Probability of Annual Loss:	25%	10 years
		Negative years in 20:	*5*	
Income-Focused	CPI +1.5%	Probability of Annual Loss:	10%	5 years
		Negative years in 20:	*2*	

The performance of each option is summarised below, alongside the median performance of the superannuation fund industry in Australia.

Based on independent ratings house Super Ratings SR50 Balanced Index universe CSC consistently rank in the top quartile of peers for our Aggressive and Income-focused options, because we take similar levels of capital-loss risk to them in these options[2].

We track around the median, on average, for our Balanced Mysuper option, but with less volatility and downside risk.   All of our options are well above peer median in the SuperRatings rankings of returns that Super funds can generate, for an equivalent risk of capital loss (last column) [3].

[2] Source; SuperRatings for 1,3,5, 7 and 10 year periods to 30 June 2023.
[3] Source; SuperRatings for 1,3,5, 7 and 10 year periods to 30 June 2023.

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Investment Option	Performance to 30th June 2023 (% p.a.)						Peer Ranking for 10 years to 30 June 2023
	10 years		3 years		1 year		Return per
	CSC	Median Fund	**CSC**	Median Fund	**CSC**	Median Fund	**unit of risk**
Aggressive	**9.30%**	8.60%	**10.00%**	9.30%	**11.40%**	11.20%	**#1/36**
MySuper (Default)	**7.30%**	7.30%	**7.60%**	7.50%	**9.00%**	9.10%	**#12/39**
Income-Focused	**5.30%**	4.50%	**4.00%**	3.20%	**5.30%**	4.60%	**#1/34**

Peer universes

Aggressive: *SuperRatings SR50 Growth Index*

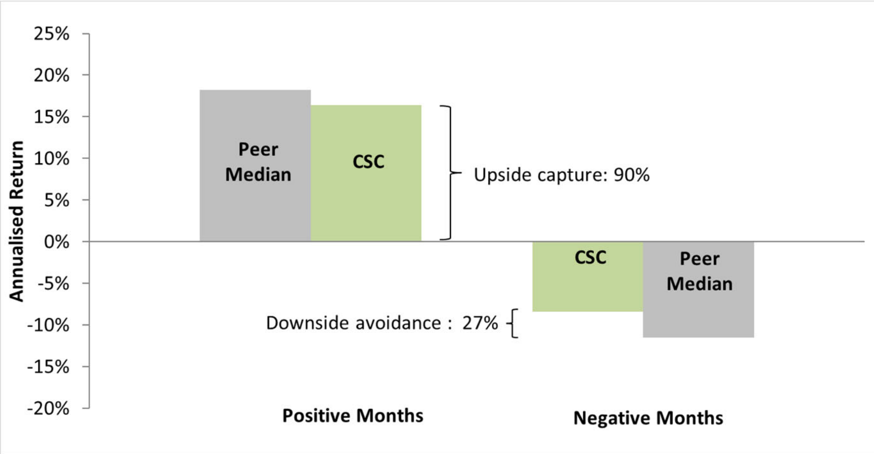
MySuper Balanced: *SuperRatings SR50 Balanced Index*

Income-Focused: *SuperRatings SR50 Capital Stable Index*

Past performance is not a reliable indicator of future performance.

For our default MySuper PSSap Balanced option:

- This option is designed to generate a real return of CPI + 3.5% p.a. because this is the real return required to give a decent probability that your savings can grow towards the ASFA comfortable standard by retirement.
- Our actual returns have exceeded this target by around 1.1% p.a. over the past 10 years, with 12% less volatility than a static portfolio designed to meet this objective ("smoother" return profile should mean that your balance is more dependable, regardless of the environment in which your retirement date falls).
- In strong equity market environments, we capture around 90% of the upside in returns compared to our peers. But in falling markets, we avoid 27% more of the negative returns. This strategy should mean that your account balance is more stable, so that when markets recover, your returns are compounding off a higher dollar base. This gives you better dollar outcomes per unit of investment return.
- We do not expect to be the highest performing fund, because we are trying to ensure that your savings are less susceptible to losses and able to grow at least 3.5% faster than inflation, on average.



PSSap MySuper Balanced vs SuperRatings SR50 Balanced Index universe for 10 years to 30 June 2023.

4. A question on fees. We need this reduced where possible. Particular fees in the PSSAP ancillary fund.

"Costs matter. They particularly matter when they don't pay off.

We hunt to find value-for-money, rather than lowest-cost assets. We also want to be able to pay for the best operators and managers of our assets so that their value is underwritten throughout their life in your portfolios. " ~ CIO 2020 AMM

Compared to a lowest-cost, passive implementation of each option's investment strategy, over the last 10 years to 30 June 2023, we have generated – after fees and costs - an additional 1.2% per annum for the balanced options, with 12% less variation in your savings balance; 2.3% per annum for our aggressive options; and 1.7% per annum more for our income-focused options.

By incurring costs above a passive strategy, we have generated higher average returns after those costs and reduced your risk of capital loss.

CSC has always focused on the value that we derive from the costs that we incur, rather than on costs in isolation. Importantly, super funds with lower fees don't necessarily offer the best value, nor the most sustainable value.

PSSap MySuper Balanced option's fee **is in line with** the median in the SuperRatings SR50 Balanced Index universe as at 31 October 2023. Independent ratings house, **SuperRatings** has awarded CSC Platinum rating for the 18th year in a row, which represents one of the "best value for money" fund in Australia.

Total costs can fluctuate over time but, on average, PSSap's Balanced MySuper options fees have been reducing over the last seven years to 31 October 2023 - PSSap MySuper Balanced customers with $50k balance have had total annual costs reduce to **1.06%**.

Importantly, we believe that what ultimately matters is the wealth that is able to be preserved as well as grown to ensure income in retirement is reliable. We expend costs not just to transact assets but importantly to reinvest in them, sustain their cashflow generation and enable them to continue to compete effectively as the world around them evolves. We also incur costs in building diversified sources of returns that contribute to the resilience of our customers' portfolios, making them less vulnerable to market conditions that may not always be benign, over the timeframes that matter to our customers, all the way up to and beyond retirement.

5. Do members get to pick more investment options like property, international shares, etc?

CSC's investment product offering is designed to help our members meet their financial objectives in retirement—i.e. ASFA's comfortable retirement standard. This includes by supporting our customers to select an investment option most aligned to their life-cycle stage, risk appetite, objectives, account balances and time horizon to retirement.

To that end, we have tailored three diversified investment options - Balanced, Aggressive and Income Focused—and one single asset class option—Cash, to each working life-stage. Every option has been designed to generate a strong, sustainable and competitive return for customers, in accordance with the risks taken and suitable for each of those working life-stages. We believe that this helps our members make informed choices, while still giving them the ability to self-tailor their own investment needs with minimal effort. We aim to avoid 'choice overload' for our customers. For more information on the objectives of these options, see Investment options (csc.gov.au).

It also recognises that for single asset-class options, if only a small number of customers select a particular investment option, the cost of establishing and maintaining the option will become prohibitive for the customers who choose it. We do not cross-subsidise the cost of individual options.

We recognise that some customers' requirements may not be met by our investment product offering. Those members who wish to invest in other product offerings such as single asset class options (apart from cash), ETFs, direct share investments etc., will need to find alternative providers to CSC.

6. What is your exposure to China and are you concerned about the human rights issues what come with those investments?

Across our aggregate portfolio, we have 3.0% of total Assets Under Management (AUM) ($1.9b) related to investments in China. The majority of this is via our private equity allocations, which offer greater transparency on the underlying company management teams and supply chains than can be achieved as a very small shareholder in publicly-listed entities in the region.

As part of our integrated Environment, Social and Governance (ESG) risk management process, we undertake continual monitoring of ESG risks. And we additionally undertake formal annual reviews of our investment partners and their capacity to identify, manage and mitigate human rights and social risks including those related to potential instances of modern slavery and their remediation.

Our investment partners with potential exposure (directly or via supply chains) in China have recognised the higher risk of potential slavery incidents. Transparency on these risks, integrated into the overall investment decision, increases the hurdle required for investments. This is one of the reasons for our preference of accessing the region via private rather than public channels, where tracking error regulation (Your Future Your Super) permits.

We recognise that global supply chains are fluid: many factors can change abruptly and vary by location and other geopolitical and idiosyncratic triggers.

7. What protections are in place concerning commercial property?

Alison Tarditi (CIO) answered at the AMM: There's a lot of concern about commercial property because of concerns around working from home, and what that means for vacancy rates in office buildings around the country. So the first point I'd make is that we are underweight property relative to what we would normally hold in the portfolio, because we have been preferencing for some time an allocation towards infrastructure assets, which we believe give us a much better return per unit of capital at risk.

The second point I would make is that our property portfolio has always focused on the highest quality assets, because we believe that when there's an excess supply of property relative to the demand to lease those properties, which is the concern at the moment, and certainly one that would escalate if we did move into a recession, that the best protection against that is to have the highest quality assets.

The performance of the assets in our portfolio, which include 101 Collins Street in Melbourne, which is a premier office building, is testament to that. It tends to outperform through periods of downturn in demand for property assets and certainly through recessions. I can confirm that 101 is fully tenanted and well-leased.

We also underwrite those core assets by owning either a governance stake or, in the case of 101, the whole asset. That enables us to, as I mentioned in my talk, steward the asset, to have a CapEx program that ensures that the asset is well-managed, addresses tenant needs ahead of that demand becoming more visible to the market, and making sure that they have their green credentials as well, which is important to some tenants.

8. What process does CSC follow in making appointments to the board? Do members have an opportunity to provide input with regard to board appointments?

The Board is made up of nine Directors with two nominated by the President of the Australian Council of Trade Unions and two nominated by the Chief of the Defence Force. The Minister for Finance appoints all Directors.

Candidates are discussed with CSC to see how those candidates fit within our skills matrix and CSC undertakes a fitness and propriety assessment (as it is required to do) prior to any appointments being made.

If members have any suggestions for candidates to become Directors they can refer those through to the Minister for Finance, who makes the appointments.

9. At a previous Annual Members Meeting the Corporation said, in the Q&A session, "We will advocate for legislative change if we believe that existing scheme rules are not in best interest of our customers." Has the Corporation considered giving its customers some visibility of the advocacy it undertakes in their interest? If not, would it be willing to look into this?

When it comes to legislative change, it's important to understand what CSC's role is. We are not a policy agency. However, we administer whatever the policy of the day may be. The policy questions themselves are aspects for the various policy-making departments in Canberra.

Your feedback is something that we welcome as we consistently aggregate and provide as much information to the relevant policy-making bodies. We do this through our various member interactions, calls, survey responses, and complaints. We have and will continue to communicate our members' feedback.

The Douglas case is an example of how a change can have major impact to our members, in this case, our members in Defence. We spent a lot of time playing an educative role and being a conduit to various agencies with information about the ongoing impact of that decision.

Ultimately, we try and take your feedback and make sure that the policy agencies are aware of what our members are saying. We generally don't display this publicly; we think we are most effective in communicating this directly to the relevant agencies and keeping these lines of communication open.

10. Why are the insurance fees so high? they may be less than retail funds but the insurance fees are higher than some of the top Industry funds. Would it be fair to say that is it not worth having Death and Total & Permanent Disability insurance once you reach 55 as the payment is low or nothing. 3. if you stop working does the insurance still apply? Some super funds don't pay out the insurance to casual workers.

We place significant importance on the value of insurance and the benefits it provides our members. Our insurance is designed to provide appropriate cover for our APS and ADF members, and premiums are designed to balance the benefits available in the event of a claim with the cost of providing cover.

We review our insurance arrangements regularly to ensure that our insurance offering is competitive and partner with AIA to provide high quality and valuable insurance cover. At our recent review, we were able to reduce the premiums for our PSSap members, with death cover reduced by at least 31.6%, TPD cover was reduced by up to 16.7%, and income protection premiums for a 2-year benefit were reduced by up to 13.9%.

We're proud to deliver these savings for our members, which means lower costs and more money in your super working for harder for you.

11. what impact will the Federal Government's super reforms for earnings on balances over $3 million have on members do members need to be worried about bracket creep. (asking on behalf of another member)

As a part of this year's budget announcements, a proposed change was introduced to provide a higher tax rate on the earnings of those with super balances above $3 million. There is an estimated 80,000 Australian that will be impacted by this legislative change.

There has been media commentary around this change, because the $3 million threshold is not indexed. It's unclear about the indexation, whether it will be indexed as a matter of course, or increased periodically through changed circumstances. This will ultimately be decided and communicated by the government.

We understand the government is looking at various thresholds as something they could leverage off, or it may be something newly created in these circumstances.

In the context for our CSC members, this will certainly impact some of our Defined Benefit (DB) customers. It comes down to the question of how the benefit is valued, and what the earnings in a DB are. We believe there is still a lot of consultation pending with Treasury and other government bodies, as to how this new change will work. We're obviously very interested in that because we have to administer it. There is currently nothing concrete and we will have to wait and see, however, we are interested on your behalf to make it as simple as possible.

12. As part of our ongoing online improvements, we are looking to trial a new, proactive entitlement estimate service for our CSS and DFRDB members. As a result, the i-Estimator has been discontinued for these schemes. When are you likely to have the Estimated service for CSS and DFRDB available?

We have recently updated and implemented improvements to our online member experience through CSC Navigator. We have seen many of our members engage with this new portal, with over 250,000 members registering with new log-ins.

We didn't build in every feature that was part of the old portals, specifically the CSS and DFRDB online estimators. Over the years, we have seen a reduction in the usage of those estimators, so there was a conscious decision to not include these estimators in this online update.

We understand that there's some impact on the members in those schemes, and currently do not have plans to reintroduce these estimators within CSC Navigator. However, we are still able to service our members through our expert teams, who can facilitate any questions that you would normally do online.

We look forward to investing in more online tools and resources in the future to enhance our members' experience.

13. When will Super Funds provide more than general advice to members approaching retirement? You collect our money for a lifetime but do not provide retirement advice that is tailored to our circumstances without payment. Nobody contacts those that have reached preservation age to discuss the way forward. Isn't this in the members best interest to have this service?

Advice is at an interesting stage in Australia following the release of the Quality of Advice Review. This review proposes a significant change to advice rules, possibly looking at breaking it up into different phases.

The first phase is to reduce red tape to make current advice more efficient for Australians.

The detail of this legislation is pending, and we will understand more once it is released.

The next phase will give more guidance and detail about the role superannuation funds can play in providing advice.

Currently, there are strict rules and high penalties in place when delivering advice. What we know is that there is a gap between member expectations versus what super funds are prepared to provide.

We have yet to see these phases roll out and there's still a lot of consultation going on about what that means.

However, we currently have advice services that we offer our members, it is a fee for service and not a commission-based structure. It is a fixed fee that you can get quoted before you undertake it.

We have developed some new services and roles at CSC to support our members. These roles are not full financial advice roles but are designed to assist our members who aren't looking for a full-fledged statement of advice. This is one aspect that we are working on in bridging the gap. We're filling the middle ground between the factual information our contact centre consultants assist you with, and what you would get through a qualified and licensed advisor.

This is a new initiative put in place within the last four months. These consultations are being held by specialist and the feedback has been positive, this service is another benefit for our members at no additional cost.

We currently partner with Guideway, our financial advice licensee. They're committed to helping more of our members get more advice and helping us do more for our broader customer base.

We understand the value of advice and are committed to creating advice services to help our members live a comfortable retirement.

14. Why is the superannuation law so limited when it comes to beneficiaries. Single people want to chose their own beneficiaries and for it to be automatically binding. would you advocate for a change to the law. some feedback. one of my colleagues, whose son died, had a terrible time obtaining his superannuation balance. It was very traumatic. she wanted the funds to go to her son's partner, but it took alot of time to get the settlement done.

When it comes to nominating a beneficiary within your super, our goal is to make the claim process as simple, easy, and secure for our members' beneficiary. Depending on your product or superannuation fund there may be some differences to consider.

There are challenges that have been raised around beneficiaries, as mentioned above. We are involved in a few forums where we help the Government and legislators understand how the superannuation industry is thinking about some of these challenges.

We hear our members' feedback and understand certain circumstances can make claims drawn out and much longer than people would wish.

Our intent is to ensure we pay your super benefit to the right people, at the right time with the right funds. Just as important, there are some aspects designed to ensure that the money also doesn't get into the wrong hands.

Nominating beneficiaries is an important decision with many things to consider. You may want to consult a licensed professional, such as a solicitor, to help you if you're unsure about anything.

15. How do you locate a person's beneficiary? The website doesn't seem to give a space for putting in a beneficiary's contact details. Maybe that was my error. How do you confirm the beneficiary is the right person?

Members of PSS and CSS are unable to nominate a beneficiary. When a PSS or CSS member passes away, their benefit is generally payable to an eligible spouse and children under the age of 18 or under 25 and in full time study. CSC will assess the eligibility of any claimants in accordance with the relevant scheme's legislation.

If you are family member or representative of a CSC member or pensioner who has passed away, you should get in touch to let us know as soon as you're able. please give us a call (+61 2 6214 4912) and one of our dedicated case managers will talk you through the next steps.

Where CSC has become aware of the death of a member, we may request information from the member's employer or send correspondence to the last known address of the member requesting any potential beneficiaries contact us to arrange payment of the benefit.

Please refer to our Death Benefits factsheet for further information.

16. How can members view/receive a copy of each speakers notes if they would like?

A full recording of the meeting plus a copy of the minutes will be published on our website by 8 December 2023 at csc.gov.au/amm

17. The Government seems to be looking at future changes in how defined benefit pensions are valued for the transfer balance cap, and total superannuation balance. Would the Corporation be willing to look at how it may be able to explain possible future changes, like these, to members interested in anticipating and thinking about possible future scenarios in planning their retirement journey? Might there be some way of consulting interested customers on these and other possible changes?

Over the years, there have been regulatory changes that have been introduced to ensure that Australians are afforded a fair and equitable retirement.

We have and will continue communicating with our members to ensure what impact any changes will mean for their retirement benefit. We're aware that changing regulation and rules can cause concern to our members.

Legislation will continue to progress as the super industry evolves. There have been past proposals that have been adopted and rejected and we don't have any control of the legislative agenda, however, our foundational purpose is to continue building and securing your super for a comfortable retirement.

We continuously have a pulse on the economic, political and market environments to ensure we deliver on that purpose to our members.

18. The premiums and fees charged for all of your insurance products are really high (almost double to other similar products offered by PS Superannuation Schemes), especially the Life insurance product. This has forced me to consider moving to another fund with affordable insurance premium. Are you able to comment if this is something on your radar to work on to introduce competitive super insurance products?

We place significant importance on the value of insurance and the benefits it provides our members. Our insurance is designed to provide appropriate cover for our APS and ADF members, and premiums are designed to balance the benefits available in the event of a claim with the cost of providing cover.

We review our insurance arrangements regularly to ensure that our insurance offering is competitive and partner with AIA to provide high quality and valuable insurance cover. At our recent review, we were able to reduce the premiums for our PSSap members, with death cover reduced by at least 31.6, TPD cover was reduced by up to 16.7%, and income protection premiums for a 2-year benefit were reduced by up to 13.9%.

We're proud to deliver these savings for our members, which means lower costs and more money in your super working for harder for you.

19. If the rationale in establishing a compulsory superannuation scheme was to ease/replace the weakening/long-term unsustainability of the existing Government retirement age pension... How can any Superannuation scheme guarantee sustainability differently from the fate

facing Government age pension? What makes any Super immune to the effects that afflict age pension?

Your super is designed to help create the future you want for your retirement.

Unlike the pension, in retirement your super isn't eligibility based or determined by an asset or income test. For our defined contribution members, you have more of an influence on your super as an investment, and the choices you make about your super and investments could make a big difference to your quality of life in retirement.

The amount of super you'll end up with when you retire depends on several factors, including, how much contributions have been made, how long your super has been invested, your investment option and the returns it has earned, and the amount you've paid in fees and insurance premiums.

Your super is subject to market conditions and other factors, but we are committed to help our members achieve a comfortable retirement above what the age pension offers.

20. Please list some distinctive benefits for those who take the insurance policies at CSC, as compared to those who don't.

We provide appropriate cover that is designed to work for you throughout your different life stages. We're able to design our insurance based on age, salary, and occupation of our APS and ADF customers.

A significant benefit is having Income Protection cover as default. If you have Income Protection cover, then you become sick or injured and you have to take time off work, the insurer may cover the cost of rehabilitation programs that will help you return to work.

Every experience is unique—that's why our insurance products can be tailored to suit your needs. We want to make it easy for you to choose the benefit and level of cover that suits you. You have options to manage, increase or decrease your cover as life circumstances change.

Having insurance within your super is also often seen as a tax effective benefit. For example, your take-home pay is taxed at your marginal tax rate, which could be a higher rate of tax than your super, so paying for your insurance premiums through your super could be tax effective.

To understand the conditions and benefits of your insurance within super, you can read more at csc.gov.au - products and services.

21. Is there scope in the future for the MSBS Maximum Benefit Limit to evolve and reopen for the current serving members with the up and coming pay rises

The reopening of the Military Superannuation and Benefit Scheme (MSBS) for new members is a government decision and not one made by CSC. Currently, there are no pending plans in reopening the scheme, however, we are always reviewing our products to ensure that they serve their purpose in building and securing your super for a comfortable retirement.

22. If you move to another super fund can you retain your insurance with CSC?

Generally, you can retain your insurance with CSC as long as you leave enough funds in your PSSap or ADF Super (post service) account to cover monthly insurance premium and fee deductions.

To protect your super balance, under super law we have to make accounts inactive if we don't receive any contributions for 16 consecutive months. Making an account 'inactive' stops your insurance cover.

If you move to another super fund and you want to keep your cover, even though your account is inactive, you'll need to write to us to let us know. Your insurance cover will then continue if there's enough funds in your PSSap account to pay for insurance premium deductions.

To understand the conditions and benefits of your insurance within super, you can read more at csc.gov.au - products and services.

23. Under Pssap, if someone has been paid out income protection and TPD, will they be able to be covered for income protection and or TPD again later on?

Your Income Protection and Total and Permanent Disablement (TPD) have different policy terms and conditions when it comes to the claims process.

For income protection insurance, once you've made a claim, you may be able to hold income protection cover again, however there are different terms and conditions when it comes to any possible future claims.

For a Total and Permanent Disablement (TPD) claim, once you have made a claim, you will not be able to make a subsequent claim. You won't be able to apply for another TPD policy through your current super fund after you've claimed the TPD benefit.

For details about your insurance within your super, you can read more here csc.gov.au/Members/Funds-and-products/PSSap/lifeplus

24. Could you provide a detailed explanation of how the Defence Superannuation contribution rates are determined for both members and the employer, including any considerations for operational service or unique circumstances? Additionally, how do these rates compare with other public sector superannuation funds, and what measures are in place to ensure the ongoing sustainability and competitiveness of the Defence Super in terms of benefits and member services?

Contribution rates are determined by the Government in accordance with the relevant legislation or Trust Deed. All defined benefits public sector schemes are quite unique in the way they operate and how the benefits provided interact with their employment conditions so cannot be easily compared. However, for our defined contributions schemes, their employment conditions determine the contribution rate. Generally, those that are serving in the armed forces receive 16.4% and the Australian Public Service pay 15.4% to their super fund.

For details about contributions you can read more in our Product Disclosure Statements here csc.gov.au/Members/Advice-and-resources/product-disclosure-statement

We continuously seek to improve our member services across all CSC schemes. For example, we use customer feedback to improve our customer-facing teams engagement with customers and prioritise improvement initiatives and investments. We are now into year three of our five-year transformation program for improving customer outcomes and have launched the CSC navigator, our new online portal. We have also rolled out our redesigned Health and Claims process providing customers with highly personalised support when transitioning from the Australian Defence Force.