

PSS FINANCIAL OVERVIEW 2021–22

Table 47. PSS unaudited financial information for 2021–22

	\$'000
Net assets available to pay benefits as at 30 June 2021	23,162,329
Inflows	
Changes in fair value of investments	-797,208
Changes in fair value of deferred payable to the Consolidated Revenue Fund	47,777
Insurance premiums charged to customers	3,388
Other revenue	2,813
Member contributions	569,769
Employer contributions	171,321
Low income superannuation tax offset contributions	234
Government co-contributions	597
Net appropriation from Consolidated Revenue Fund	1,576,634
Outflows¹	
Benefits and pensions paid	(3,147,996)
Insurance premiums paid	(3,388)
Income tax expense	(25,482)
Net assets available to pay benefits as at 30 June 2022	21,560,788
Assets and liabilities as at 30 June 2022²	
Investments ³	22,412,610
Cash	19,197
Other receivables	1,073
Benefits payable	(9,507)
Other payables	(1,449)
Deferred payable to the Consolidated Revenue Fund	(846,048)
Net tax liabilities	(15,088)
Net assets as at 30 June 2022	21,560,788

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 member benefit liabilities of \$99.4 billion, of which \$77.9 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 19 as follows:

	\$'000
PSS Options	
Default Fund	22,320,136
Cash Investment Option	49,250
Investments backing the operational risk reserve	72,336
Total Fund	22,441,722
Add/(less)	
Adjustment from unit pricing to financial statements valuation basis	(29,112)
	22,412,610

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 \$72.3 million in 2022, \$74.6 million in 2021 and \$73.9 million in 2020.