



Australian Government

Commonwealth Superannuation Corporation

2025-26

Corporate Plan



Commonwealth
Superannuation
Corporation

1 Introduction

This document sets out the 2025-26 CSC Corporate Plan, which covers the four-year period between financial years 2025-26 to 2028–29, as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013*.

This document also forms a part of CSC’s Business Plan as required by APRA’s *Superannuation Prudential Standard 515 – Strategic Planning and Member Outcomes* (SPS 515).

1.1 About CSC

The CSC Board is the accountable authority of Commonwealth Superannuation Corporation (CSC).

CSC is the trustee of the superannuation schemes for Australian Government employees and Australian Defence Force (ADF) members.

CSC was established as a corporate Commonwealth entity on 1 July 2011 under the *Governance of Australian Government Superannuation Schemes Act 2011* (the GAGSS Act), following the passage of legislation to merge the Boards previously responsible for the ADF and Australian Public Service (APS) superannuation schemes and funds.

CSC is the trustee of five regulated superannuation schemes:

- the Public Sector Superannuation accumulation plan (PSSap)
- the Australian Defence Force Superannuation Scheme (ADF Super)
- the Commonwealth Superannuation Scheme (CSS)
- the Public Sector Superannuation Scheme (PSS)
- the Military Superannuation and Benefits Scheme (MilitarySuper).

CSC is the responsible superannuation entity licensee for the ARIA Investments Trust (‘AIT’), a Pooled Superannuation Trust.

CSC administers six exempt public sector schemes that are not regulated under the *Superannuation Industry (Supervision) Act 1993*:

- the Australian Defence Force Cover Scheme (ADF Cover)
- the 1922 Scheme
- the Defence Forces Retirement Benefits Scheme (DFRB)
- the Defence Force Retirement and Death Benefits Scheme (DFRDB)
- the PNG Scheme
- the Defence Force (Superannuation) (Productivity Benefit) Determination (DFSPB).

The two accumulation superannuation schemes – PSSap and ADF Super are the ‘default’ schemes for eligible Australian Government employees and new entrants to the ADF, and are only open to eligible current and former Australian Government employees and ADF members.

CSC also offers an account-based pension product, called CSCri, to eligible Australian Government superannuation scheme customers.

CSC’s defined benefit superannuation schemes are closed to new customers. Benefits are calculated by set formulas generally comprising length of contributory service, contribution level and salary.

1.2 Legislative objectives and functions

CSC's objectives and functions are set out under the GAGSS Act and are to:

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

2 CSC's Purpose, Vision, Values and Customer Value Proposition

2.1 Our Purpose

CSC's purpose is to build, support and protect better retirement outcomes for all our customers, being current and former Australian Government employees, members of the Australian Defence Force and their families.

2.2 Our Vision

CSC's vision is to provide simple and trusted super for another 100 years.

This means we will strive to take the complexity out of super, guide our customers towards a comfortable retirement and always operate in the best financial interests of our customers.

2.3 Our Values

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

2.4 Our Customer Value Proposition

CSC's customer value proposition is to provide a surer path for our customers.

CSC strives to be deliberately different, made especially for Australian Government employees and the Australian Defence Force.

The value proposition is encapsulated in:

- **A trusted experience** - With over 100 years of proven expertise, our customers benefit from our deep history and commitment.
- **Retirement with confidence** - On average, our customers retire with 20% more than the ASFA Comfortable Retirement Standard.
- **A smoother investment path** - CSC focuses on managing risks and delivering strong outcomes, helping customers reach retirement on the smoothest path possible.

3 Operating environment

CSC operates within the Australian superannuation industry, regulated by the Australian Prudential Regulation Authority (APRA) and the Australian Securities and Investments Commission (ASIC). CSC is licensed by both APRA and ASIC.

3.1 Scheme eligibility

Only eligible current and former Australian Government employees and ADF members, and their beneficiaries, can be customers of CSC. If they do not already have an existing superannuation fund, new APS and ADF entrants automatically join PSSap and ADF Super respectively unless they elect to exercise choice of fund and contribute to another scheme. Any new entrants with an existing superannuation fund are 'stapled' to that fund rather than joining PSSap or ADF Super by default.

As part of CSC's retirement income strategy, several retirement solutions are available to eligible customers – including transition to retirement and post-retirement income streams using CSCri. These solutions are supported by eight retirement profiles to help customers find the solution that best fits them.

3.2 Markets and competition

CSC operates in four distinct superannuation markets:

1. **Defined benefit scheme customers** – customers in CSC's closed defined benefit schemes generally remain in those schemes. Customers who are still employed within the Australian Government and the ADF have to do so.
2. **New entrants** – people joining either the APS or ADF for the first time have choice of fund, meaning that PSSap and ADF Super both compete directly with other Australian industry and retail superannuation funds for customers.
3. **Choice customers** – people who joined PSSap and ADF Super while they were employed within the Australian Government or the ADF, but have since left APS or ADF employment without closing their PSSap or ADF Super account, remain eligible to choose to contribute to PSSap or ADF Super. PSSap or ADF Super customers who leave APS or ADF employment are 'stapled' to PSSap or ADF Super unless they choose to contribute to another fund.
4. **Non-compulsory superannuation monies** – customers in any CSC scheme who wish to contribute extra money to their superannuation (e.g. via salary sacrifice) or to purchase a pension product, can do so from any fund available to them. APS customers can salary sacrifice and/or purchase a pension product (CSCri) from PSSap and ADF members can salary sacrifice to MilitarySuper (if eligible) or to ADF Super.

3.3 Investment landscape

CSC funds are invested across a full universe of local and international investment markets, assets and strategies (including cash, fixed income, equity, property, infrastructure and hedge fund strategies). Investment markets are always in flux, dealing with the inherent uncertainties around resolution of the near and long-term influences on their fundamental value.

CSC's level of investment risk taking is measured and focused on maximising the probability of achieving the targeted return objectives required for each investment option.

3.4 Legislation and regulation

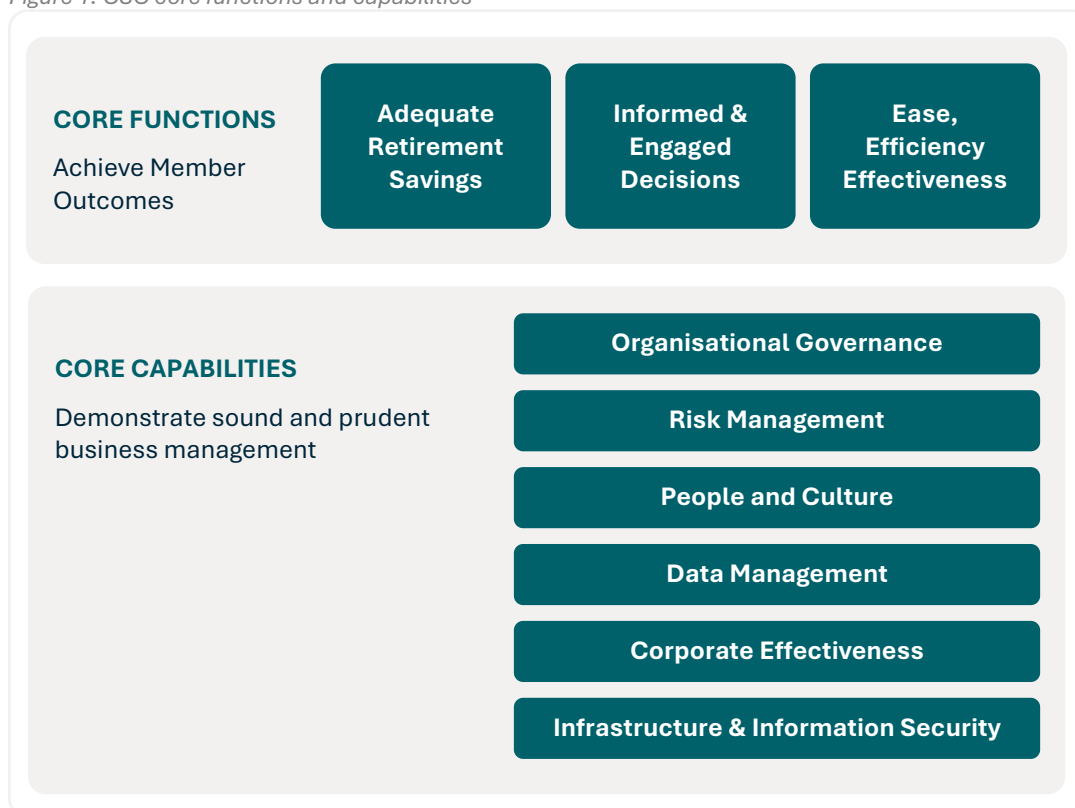
CSC's schemes are governed by the requirements of their establishing legislation (e.g. the Superannuation Act 2005 in the case of PSSap) and by their trust deeds. These governing documents cannot be amended without ministerial or parliamentary approval.

Changes in government superannuation policy or taxation rules can impact CSC's schemes, our customers and our operations. As regulated entities, CSC and the schemes are also subject to the APRA Prudential Standards and ASIC regulations.

4 CSC's operating model

CSC delivers on its purpose and mission through **three core functions**. These core functions deliver outcomes directly to CSC's customers and are assessed and monitored using CSC's Member Outcomes framework.

Figure 1: CSC core functions and capabilities



4.1 CSC's three core functions

1. Adequate retirement savings

CSC must act in the best interest of customers in its schemes and promote their financial interests. Consistent with these requirements and with the purpose of superannuation, a core CSC function is to provide customers and their families with adequate savings in retirement. CSC will achieve this by targeting the following outcomes:

- Customer financial adequacy** – financial adequacy of customers with respect to ASFA funding ratios
- Investment performance** – how scheme investment options have performed with respect to strategic objectives and peers
- Insurance product** – appropriate death, TPD and life insurance options available for customers

Primarily this core function is discharged through the application of CSC's investment governance framework, its investment strategy and its insurance strategy, the latter being to safeguard adequate retirement savings for customers and their families should severe life events occur.

The availability of death and disability insurances for accumulation customers provides a mechanism for adequate retirement savings for these customers and their families, in the case of unexpected life events.

The defined benefit schemes are closed to new customers. The benefit designs of these schemes provide levels of savings in retirement to many defined benefit customers that are independent of

accumulation (funded) savings and investment performance. Investment performance is relevant though to some defined benefit customers, to some scheme contribution types and to overall scheme cost. Benefit designs cater for death and disability events.

2. Informed and engaged decisions

Well-informed and engaged customers make better superannuation decisions.

A CSC core function is to be ‘the guide’ for our customers - to provide our customers with guidance and help at the right time and in the right form.

CSC provides a range of services to help customers achieve the retirement outcomes they seek.

These services include:

- one-on-one and group seminars covering a range of superannuation topics, tailored to each of CSC’s superannuation schemes;
- financial planning services which are provided on a fee-for-service basis; each of our financial planners are independently certified by CSC’s financial planning partner, Guideway; and
- information and general advice (including from CSC’s superannuation specialists) via various channels (phone, email, social media and in person).

Customer feedback

We are committed to listening to our customers’ feedback – we capture and respond to feedback through a ‘voice of customer’ process and measure our performance through Net Promoter Score (NPS) and other metrics. We also survey employees of employers who are a critical link between our customers and their superannuation.

3. Ease, efficiency, effectiveness

Good administration helps our customers (and us)

A core CSC function is the administration of our schemes, particularly ensuring that benefit and pension payments are accurate and timely, that contributions are allocated promptly and correctly and that key account information is available to customers when needed. Having operated for over 100 years, CSC has a long legacy as one of the largest payers of pensions in Australia. We aim to make administrative customer interactions with us as easy and efficient as possible.

Apex Superannuation Administration Services Pty Ltd (Apex Superannuation Administration) is contracted by us to administer our PSSap, CSCri and ADF Super schemes. We administer all our other superannuation schemes. We have a well-developed governance framework for managing our administration activities. It includes:

- working with our customers’ employers to obtain accurate and complete data from them
- forecasts of workloads to ensure that staff are deployed most effectively during peak service periods
- continuous technology improvements so that administration is automated, fast and accurate, so staff have more time to spend helping customers.

Effectiveness

A core function is to monitor and assess the collective effectiveness of our investment, informational and administrative activities. Our effectiveness is measured through a continuation of adequate scale, liquidity, customer attraction and comparative efficiency. These are important outcomes for CSC. They provide ongoing capacity to deliver other core functions and quality customer outcomes.

4.2 CSC's six core capabilities

CSC's ability to deliver its core functions is built on **six core capabilities**.

1. Organisational governance

CSC has established management frameworks for governance, compliance and executive accountability. These frameworks cover a range of governance areas, from the management of conflicts, incident management and executive alignment to organisational & customer outcomes.

2. Risk management

CSC's risk management framework is aligned to its business planning and includes:

- a Board-approved risk appetite statement
- a Board-approved risk management strategy that describes how key elements of the risk management framework give effect to management of risk.

3. People and culture

CSC employs approximately 640 people representing a mix of permanent, fixed term and contract employees who are geographically distributed across Australia with approximately 60% of our workforce located in Canberra. Employees set annual performance objectives and personal development plans to improve and enhance both individual and corporate performance. These objectives and plans create a shared vision of CSC's strategic and corporate objectives, and align effort with business priorities.

4. Data management

CSC's data management framework is enhancing governance and capability for the effective management and protection of CSC's data assets.

5. Corporate effectiveness

CSC's key corporate and investment operations functions underpin operational delivery across CSC. This includes effective management of scheme and corporate assets as well as provision of ICT infrastructure.

6. Infrastructure & Information Security

CSC's cyber security function protects customer data and CSC's technology infrastructure by proactively mitigating threats and by leveraging rapid response capabilities. The function employs regular risk assessments to assess vulnerabilities, sophisticated security controls (such as intrusion detection systems), and intelligence on emerging threats and vulnerabilities.

5 Strategic planning

This Corporate Plan is CSC's principal planning document for reporting to the Parliament on its purpose 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) and their families.

5.1 Business Plan

CSC's Business Plan includes a set of strategic objectives, specific and measurable outcomes and key business initiatives. Strategic objectives set specific focus areas over the strategic planning cycle for the defence, improvement or achievement of outcomes across identified areas of CSC's operating model.

The strategic objectives that CSC will target to have the capability it needs to undertake its key activities and achieve its purposes for the current planning cycle are:

Table 1: Current Strategic objectives

Strategic Objectives	Target state
Enhance our retirement offering	<ul style="list-style-type: none"> To provide a compelling retirement proposition that is clearly articulated, simple and available to all our customers To be recognised by our customers, employers, industry peers and government as a leading retirement partner
Deepen large employer relationships	<ul style="list-style-type: none"> To achieve a shared vision of success and outcomes with large employers as it relates to their employees and our customers To demonstrate deep expertise in investment, insurance, advice, guidance and support as part of a trusted relationship with employers, thus supporting their Employee Value Proposition
Educate our customers on our value proposition	<ul style="list-style-type: none"> To help our customers better understand the value available by being with CSC To clarify language describing our different investment approach To ensure investment tools and modellers are in place to help educate customers
More competitive External Financial Adviser (EFA) offering	<ul style="list-style-type: none"> To provide EFAs with transparency of our shared customers and services To ensure EFAs have an understanding of our unique investment expertise and product features EFAs recommend our products resulting in our customers staying with CSC
Realising the benefits of our transformation program	<ul style="list-style-type: none"> To realise CSC's strategic blueprint for a future-focused customer operating model that holistically addresses people, processes, data, structure and governance alongside the implementation of modern engagement and administration platforms.
Contemporary and resilient information security	<ul style="list-style-type: none"> To ensure our cyber security capabilities have a range of up-to-date systems, processes and protocols that result in multi-layered cyber security defences that are demonstrably strong.

5.2 Quarterly business performance review

Reporting on the achievement of CSC's Corporate Plan performance targets, on customer and business outcomes, and on Business Plan strategic objective targets is provided to the CSC Board on a quarterly basis. The Corporate and Business Plans are also the subject of a comprehensive annual business performance review as required under SPS 515.

5.3 Key Stakeholder Relationships

CSC has relationships with several organisations that are strategically significant or operationally significant to CSC achieving its purpose to build, support and protect better retirement outcomes for all our customers. This includes relationships with Australian Government departments responsible for setting and administering relevant Commonwealth superannuation policy, relationships with regulators, and relationships with operationally significant service providers. Key relationships include:

Australian Government Superannuation Policy Setting

- Minister for Finance, being the Minister with portfolio responsibility for CSC
- Department of Finance, which is responsible for superannuation policy for the APS Schemes
- Department of Defence, which is responsible for superannuation policy for the military schemes

Customer Products, Administration and Engagement

- Apex Superannuation Administration, which provides superannuation account administration services for the customers of CSC's defined contribution schemes
- Northern Trust, which, as CSC's custodian, holds the schemes' investments for safekeeping in order to minimize the risk of their misappropriation, misuse, theft, and/or loss
- AIA Insurance, which provides life, total & permanent disability and income protection cover for PSSap customers and ADF Super 'Choice' customers

Key Regulators

- APRA, being the prudential regulator for superannuation
- ASIC, being the conduct regulator for superannuation.

6 Planned performance

Table 2: PGPA corporate plan performance

Legislated Outcome	Activity	Performance Criteria	Targets
			2025-26, 2026-27, 2027-28, 2028-29
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 ADF, through investment and administration of their superannuation funds and schemes	Manage and invest the funds Core function: Adequate Retirement Savings	<ol style="list-style-type: none"> 1. CSC's investment performance for its default accumulation options over a rolling three-year period 2. 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 options 	<ul style="list-style-type: none"> • Default accumulation options annual real returns of 3.5% above CPI over a rolling three-year period • Negative returns in no more than five out of every 20 years for the default accumulation options

	Administer the schemes Core function: Ease, Efficiency, Effectiveness	Achievement of operational objectives for contributions processing and benefits/pension payments	<ul style="list-style-type: none"> 90% of each operational objective achieved (<i>additional details below</i>)
	Provide services to customers Core functions: Informed and Engaged Decisions	Adequate satisfaction levels of customers and employers with the service provided	<ul style="list-style-type: none"> Net Promoter Score (industry standard satisfaction measure) survey result of +10 for employers Annual increases in Net Promoter Score survey results for both ADF customers and other customers of two points each.

Operational objectives for contributions processing and benefits/pension payments are described in the table below:

Table 3: Operational objectives

	Objective
Benefit Payments	PSSap/ADF Super – 95% of benefit payments are made within three business days of receipt of all required documents.
	CSS/PSS – 95% of standard benefit applications are processed within five business days of receipt of all required documents.
	MSB/DFRDB – 90% of standard benefit applications are processed within five business days of receipt of all required documents.
Contributions	Contributions for members are processed promptly in accordance with statutory requirements.

7 Risk oversight and management

CSC's Board is ultimately responsible for having a risk management framework appropriate to the size, business mix and complexity of its operations. This enables it to implement tailored risk management approaches that manage the risks the business faces in pursuit of its objectives.

A Risk Committee of the Board has been established to assist the Board in discharging its responsibilities by overseeing the framework and management of non-investment risk. Investment risk is overseen directly by the Board. As a Registrable Superannuation Entity (RSE) licensee, CSC is also subject to APRA Prudential Standard SPS220 *Risk Management* which prescribes detailed requirements of such a framework.

CSC's framework is fully aligned to its business plan and includes:

- a Board-approved risk appetite statement;
- a Board-approved risk management strategy that describes the key elements of the risk management framework that give effect to the strategy for managing risk; and
- the plans, relationships, accountabilities, resources, processes and activities that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout CSC.

7.1 Risk Appetite Statement

The Risk Appetite Statement articulates the degree of risk that CSC is prepared to accept in pursuit of its objectives. The Statement considers the interests of the customers of CSC's schemes and the Commonwealth and is formally approved by the Board.

7.2 Risk Management Strategy

CSC's Risk Management Strategy has been constructed based on ISO 31000:2018 *Risk management – Principles and guidelines*, APRA Prudential Standard SPS220 *Risk Management* and APRA Prudential Practice Guide SPG 220 *Risk Management*.

Risk management is defined as 'co-ordinated activities to direct and control an organisation with regard to risk', with 'risk' being the 'effect of uncertainty on objectives'. Risk is measured in terms of a combination of the consequence, or impact, of an event and its likelihood.

Essentially risk management is aimed at managing business risks to strike an optimal balance between realising opportunities for gain, at the same time as minimising losses.

The **risk management framework** is the totality of systems, structures, policies, processes and people within CSC that identify, assess, manage, mitigate and monitor all internal and external sources of risk that could have a material impact on CSC's business operations or customers.

The risk management framework is underpinned by a suite of board-approved governance and operational policies.

Risk identification is a multifaceted approach employed to consider existing risk coverage and emerging risks, with a formalised calendar for the analysis of various internal and external information channels which may indicate developments in the risk environment or within CSC's business operations. Risks are documented in a detailed risk register.

A **material risk** is a risk that, if realised, has the potential to materially affect the interests of customers, or have significant impact on the business operations, reputation, rate of return, or net assets.

The **risk management framework** covers the material risks in the following categories, in accordance with the requirements of SPS220:

- Governance.
- Investment risk (encompassing investment governance and liquidity risks).
- Outsourcing risk (including investment managers, custodian, administrator, insurer and other service providers).
- Operational risk (including earning rates).
- Insurance risk.
- Strategic and tactical risk that arises from business plans.
- Resourcing risk.
- Fraud and corruption risk.
- Business disruption risk.

Other areas of risk may emerge from time to time.

The regular review of the **Risk Management Strategy and Risk Appetite Statement** assists in ensuring risks are identified and adequately mitigated in an ever evolving environment.

In addition, the risk management framework:

- outlines the proposed risk mitigation strategies.
- assesses the strength of the risk mitigation strategies and describes the residual risk of each relevant material risk, having regard to the likely effect of the proposed treatments.
- sets out the proposed arrangements for oversight, implementation and reporting in relation to managing the material risks and arrangements for audit.

In addition to having an appropriate risk management framework, CSC understands the importance of risk culture in achieving strong risk management outcomes.

In order to measure progress on CSC's risk culture a baseline was established across the organisation in 2017. This was used to inform multiple Executive-sponsored initiatives on how to enhance risk culture.

CSC's risk culture is reassessed every two years with all primary risk dimensions now being assessed as positive. Improving the overall organisational culture (inclusive of risk culture) is an ongoing priority.

The CSC Board is required to make an annual risk management declaration to APRA in regards to the adequacy and effectiveness of the risk management framework and its compliance with regulatory standards.



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