

PSSAP FINANCIAL OVERVIEW 2020–21

Table 49. PSSap unaudited financial information for 2020–21

	\$'000
Net assets available to pay benefits as at 30 June 2020	15,358,503
Revenue	
Interest	87
Changes in fair value of investments	2,826,553
Employer contributions	1,432,262
Member contributions	90,831
Transfers from other funds	455,057
Government co-contributions	240
Low income superannuation tax offset contributions	2,569
Insurance claims received and other revenue	37,398
Total revenue	4,844,997
Insurance premium expense	(104,059)
Other administration expenses	(13,280)
Benefits, transfers and pensions paid and payable	(695,142)
Total expenses¹	(812,481)
Income tax expense	(202,976)
Net increase in net assets available to pay benefits	3,829,540
Net assets available to pay benefits as at 30 June 2021	19,188,043
Assets and liabilities as at 30 June 2021¹	
Investments ²	19,170,418
Cash	191,048
Other assets	1,870
Total assets	19,363,336
Liabilities	
Benefits and pensions payable	(1,579)
Other payables	(10,653)
Current tax liabilities	(163,061)
Total liabilities	(175,293)
Net assets available to pay benefits as at 30 June 2021	19,188,043

¹Expenses relating to investment management were borne by the underlying investments of the Plan. Costs other than those incurred in managing and investing Plan assets are met by CSC and are disclosed as 'other administration expenses' above. Administration fees are paid by members to cover these costs.

²The value of investments shown above reconciles with the total Fund values shown in tables 37 and 38 on page 36 as follows:

	\$'000
PSSap options	
Cash	284,328
Income Focused	431,301
MySuper Balanced	15,315,889
Balanced	202,989
Aggressive	2,389,124
CSCri options	
Cash	23,943

Income Focused	215,599
Balanced	175,293
Aggressive	40,016
Cash – TRIS	3,601
Income Focused – TRIS	20,867
Balanced – TRIS	22,952
Aggressive – TRIS	6,255
Investments backing the operational risk reserve	66,413
Total Fund	19,198,570
Add/(less)	
Adjustment from unit pricing to financial statements valuation basis	(28,152)
	19,170,418

The assets of PSSap are invested in 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 PSSap.

The operating surplus or deficit generated by the AIT is reflected in daily unit prices released by the AIT for its unitholders including PSSap, and daily PSSap unit prices based on the AIT unit prices are published on the CSC website. If you would like to see a copy of the PSSap 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 the Parliament in October) at csc.gov.au, send an email to members@pssap.com.au, call us on **1300 725 171** or write to PSSap, Locked Bag 9300, Wollongong DC NSW 2500.

The Plan holds specific reserves including an operational risk reserve and an administration reserve. The administration reserve was established during 2020-21 financial year. 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 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 purpose of the administration reserve is to pay for non-recurring expenses of the Plan relating to legislative change, enhancements to member services, extensions to the product range of the Plan, changes to achieve operational efficiencies or to enable the Plan to sustain operations through delays in payments of committed funding. The administration reserve was funded from unallocated interest income held in fund bank accounts on establishment. No further funds will be transferred to the administration reserve, nor will interest accrue to the administration reserve. The use and management of the administration reserve is conducted in accordance with CSC's Administration Reserve Strategy. The total of the reserves as at 30 June for the past three years was \$78.9 million in 2021, \$59.0 million in 2020 and \$50.9 million in 2019.