

CSS FINANCIAL OVERVIEW 2020–21

Table 46. CSS unaudited financial information for 2020–21

	\$'000
Net assets available to pay benefits as at 30 June 2020	1,952,831
Inflows	
Changes in fair value of investments	267,803
Interest	20
Member contributions	25,544
Employer contributions	7,226
Low income superannuation tax offset contributions	3
Government co-contributions	11
Net appropriation from Consolidated Revenue Fund	4,073,867
Outflows¹	
Benefits and pensions paid	(4,509,255)
Income tax expense	(1,087)
Net assets available to pay benefits as at 30 June 2021	1,816,963
Assets and liabilities as at 30 June 2021²	
Investments ³	1,792,391
Cash	31,522
Other receivables	64
Benefits payable	(5,907)
Other payable	(238)
Tax liabilities	(869)
Net assets as at 30 June 2021	1,816,963

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 \$61.6 billion, of which \$59.8 billion is funded by the Commonwealth Government.

³The value of investments shown above reconciles with the total Fund values shown in Table 6 on page 17 as follows:

	\$'000
CSS Options	
Default Fund	1,656,328
Cash Investment Option	131,822
Investments backing the operational risk reserve	6,725
Total Fund	1,794,875
Add/(less)	
Adjustment from unit pricing to financial statements valuation basis	(2,484)
	1,792,391

The assets of CSS are invested through the ARIA Investments Trust (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 CSS.

The operating surplus or deficit generated by the AIT is reflected in daily unit prices released by the AIT for its unitholders including CSS, and daily earning rates based on the unit prices are published on the CSC website. If you would like to see a copy of CSS 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@csc.gov.au, call us on **1300 000 277** or write to CSS, 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 \$6.7 million in 2021, \$6.7 million in 2020 and \$8.9 million in 2019.