QTON No. 11

Legislative Assembly for the Australian Capital Territory
Standing Committee on Public Accounts and Administration

Inquiry into Annual and Financial Reports 2023–2024

Answer to question taken on notice

Asked by: MS FIONA CARRICK MLA

Addressed to: Mr Russ Campbell, Acting Under Treasurer, Treasury, CMTEDD

In relation to: DEBT AND SUPER PENSIONS

Hearing: 13 February 2025
Uncorrected Proof Transcript pp 8, 9
Transcript provided: 20 February 2025
Answer Due: 27 February 2025

Mr Russ Campbell took on notice the following questions:

Ms Carrick: Okay. And is debt used to fund super pensions? Because I noticed that there is a greater call of super that is going out now than public servants putting into super. I always used to think that what went into super funded what people were drawing out, but it appears that what is going in is not as much as what is being drawn out.

Mr Campbell: Yes. I do not have my super advisor with me today, and I may be able to get something to you shortly. But yes, the unfunded liability is something that still needs to be done, so there is a plan to get to that in the 2030s, but that is still a work in progress. But yes, there is certainly amounts of money being put aside to invest in assets so that there will be a return coming from those assets, which will eventually offset the total liability over time.

Ms Carrick: So is debt being used to fund super payments, pensions that are being made now?

Mr Campbell: So the total super return adjustment, I will come back to you just to confirm that, but in terms of the out years, the cash is in operational surplus. but I will check that for you and come back to you on that.

Mr CHRIS STEEL MLA, **TREASURER**: The answer to the Member's question is as follows:

For the benefit of the Member and the Committee, detailed information about the Government's defined benefit superannuation liability is set out in the 2024-25 Budget Papers, Chapter 3.8, of the 2024-25 Budget Outlook (pages 262-266) and the Superannuation Provision Account 2023-24 financial statements included in the 2023–24 CMTEDD Annual Report Volume 2.1.

The Superannuation Provision Account is not a superannuation scheme for Territory employees, nor does it receive superannuation contributions from Territory employees. The Superannuation Provision Account recognises the Territory's defined benefit employer superannuation liability to the Commonwealth Government.

The defined benefit superannuation liability is in respect of current and former Territory employees who are members of Commonwealth defined benefit superannuation schemes, including the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). Membership of the CSS closed to new Territory employees from 1 July 1990 and membership of the PSS closed to new Territory employees from 1 July 2005.

Administration of the CSS and PSS is undertaken by the Commonwealth Superannuation Corporation, with all retirement benefits paid to entitled CSS and PSS members by the Commonwealth Superannuation Corporation.

The Superannuation Provision Account reimburses the Commonwealth Superannuation Corporation for the Territory's employer share of the superannuation benefits paid by the Commonwealth Superannuation Corporation.

The Superannuation Provision Account receives annual budget appropriation and makes ongoing payments to the Commonwealth Superannuation Corporation to extinguish the Territory's defined benefit employer superannuation liability to the Commonwealth.

Approved for circulation to the Standing Committee on Public Accounts and Administration

Signature: Date: 26/2/25

By the Treasurer, Chris Steel MLA