

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

10 – 11 February 2010

Question: aet 150

Topic: Membership of ComSuper

Hansard Page: E99-E100 (11/02/2010)

Senator JOYCE asked:

Senator JOYCE—Do you have any involvement with the Commonwealth superannuation liabilities and their relationship to the Future Fund?

Senator Sherry—Just before Mr Jones gives the answer, I do have some familiarity with what is proposed with the Commonwealth public sector super fund. There are a number of elements to superannuation funds. One is the trustee governance arrangements. They are to be merged, so there will be one trustee board. The administration of the funds, the actual accounts and the payout of investments in pensions et cetera, are with ComSuper. ComSuper is the administrator. The decision there is that the defined contribution administration, which is very much the smaller part of ComSuper's operation, will be contracted out to the private sector. The administration of the defined benefit, which is the much larger and more complex component, will remain in ComSuper. The decision to contract out the defined contribution followed a scoping study which showed that the costs of the defined contribution administration were in excess of comparative private sector providers; therefore, the decision was made to contract it out. Then of course the investments of the entities will be pooled and managed together. I am not sure what the total pool value is. This does not include moneys in the Future Fund. There is a cost efficiency, savings, in doing that.

Senator JOYCE—What is the membership? It is about 650,000 or so, isn't it?

Senator Sherry—I do not know. There are active as well as retired public servants and military personnel. We can take it on notice. It certainly would be a substantial fund, if not the largest fund in the country. They are already very large anyway.

Answer:

The following response was provided by the Department of Finance and Deregulation, as the subject of Commonwealth Superannuation Schemes falls within their portfolio.

ComSuper's membership numbers as at 30 June 2009 are as follows (taken from the 2008-09 Annual Report):

Contributors	262,886
Preserved	219,789
Pensioners	198,822
Grand Total	681,497