

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

Budget Estimates Hearing – May 2007

Question: F28

Outcome 1, Output 1.2.3

Topic: Costs relating to the extension of death benefits to interdependants within government unfunded defined benefit superannuation schemes and the timing of military superannuation updates.

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Senator Sherry asked:

I understand there was a recent actuarial recalculation of the military fund liabilities, which I will get to, which led to a greater unfunded superannuation liability. That was one of the reasons for there being a greater unfunded superannuation liability calculated for 2019-20. Was the figure of \$2 billion—an approximate figure, obviously—made before or after the recent recalculation of the military superannuation actuarial calculation of new liability?"

Answer:

The costings relating to the recognition of interdependent relationships were developed before the recent recalculation of unfunded superannuation liability projections. However the \$2 billion (approximate) increase was derived using the main factors applied in the update of the projected unfunded superannuation liability undertaken for the 2007-08 Budget papers.