

2012 Policy Commitment - ACT Greens

Election Commitment:

Name of Commitment: Implementation Study for Fair Indexation of Public Servant Pensions (Amended)

Reference No: GRN173

Cost Request Submitted by:¹ Meredith Hunter MLA, ACT Greens Parliamentary Leader

Date Request Received: 12-Oct-12

Date of Public Release: 12-Oct-12

Additional Information Requested (including date): n/a

Additional Information Received (including date): n/a

Financial Implications:

Impact On:	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	TOTAL \$'000
Revenues ^(a)	0.0	0.0	0.0	0.0	0.0	0.0
Expenses ^(a)	0.0	-250.0	0.0	0.0	0.0	-250.0
Net Operating Balance	0.0	-250.0	0.0	0.0	0.0	-250.0
Capital Requirement	0.0	0.0	0.0	0.0	0.0	0.0
Cash Surplus/Deficit	0.0	-250.0	0.0	0.0	0.0	-250.0

(a) A negative number indicates a decrease in revenue or an increase in expenses

Other Information:

Caveats or qualifications to the costing:

The ACT Government relies on Commonwealth administered superannuation schemes. Changes to indexation on pensions for former ACT Government staff would be likely to require separate top-up arrangements, including administration. Such an arrangement would involve considerable complexities and would require actuarial, legal and external advice. The costing does not include the consequent costs associated with implementation of the policy proposal (which would be substantial in terms of the impact on the unfunded superannuation liability as well as establishment and ongoing administration costs).

Other Comments:

n/a

Costing Methodology Used:

- Costing Technique:


Treasury has estimated the costs to undertake the study to be material, and would involve \$30,000 for actuarial advice, \$100,000 for legal advice and \$120,000 to source external advice from industry experts.

- Policy Parameters:

n/a

Statistical Data Used:

n/a


Megan Smithies
Director-General