

**Senate Finance and Public Administration Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Finance and Administration Portfolio**

**Department of Finance and Administration**

Additional Budget Estimates Hearings – 14 February 2006

**Question: F13**

**Outcome 1, Output 1.2.3**

**Topic: Telstra employees – superannuation entitlements following sale**

**Hansard Page: F&PA 40-41**

**Senator Sherry asked:**

There are two specific impact issues that I want to raise that have been raised with me by constituents. One relates to a claimed adverse impact as a consequence of the sale of Telstra. What will be the impact, if any, on those individuals and their entitlements under PSS-CSS as a consequence of the sale of Telstra?

**Answer:**

For those Telstra employees who are members of the Commonwealth Superannuation Scheme (CSS), contributory membership will cease once the Australian Government ceases to hold majority ownership of Telstra, but the Government will continue to be responsible for meeting the obligations, going forward, in respect of the past service of those employees. This is consistent with long standing Government policy, that contributory membership of the CSS ceases in circumstances where the Government has ceased to have control of a business unit, such as was the case with QANTAS.

Once the Australian Government ceases to hold majority ownership of Telstra, superannuation arrangements for Telstra employees will be a matter for Telstra. Telstra has an obligation, like all employers, to make superannuation contributions in respect of its employees.