

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

Budget Estimates Hearings, 25-26 May 2005

Question: F28

Outcome: 1, Output: 1.2

Topic: Membership of the CSS – Telstra employees

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Senator Sherry asked:

The Government would need to change its policy. Can we have an update on this issue, Dr Watt? It must be being raised in the context of consideration of selling Telstra.

Dr Watt – I would need to take that on notice. We are not responsible for preparing the sale legislation. The sale legislation is being prepared by the Department of Communications, Information Technology and the Arts, and the minister for that department is the responsible minister.

Senator Sherry – But your department is responsible for the CSS.

Answer:

The Government is currently undertaking a scoping study to consider all issues relevant to any further sale of the Commonwealth's shareholding in Telstra. The superannuation arrangements for Telstra's current members of the Commonwealth Superannuation Scheme (CSS), post any sale of the Government's shares, are being considered as part of that study.

It is longstanding Australian Government policy that only employees who are in public sector employment should be eligible for membership of the CSS. While certain employees of companies controlled by the Australian Government have had membership of the CSS, active contributory membership of the scheme has always ceased whenever the Australian Government has ceased to have control of the company.