

**Standing Committee on Finance and Public Administration**

**ANSWER TO QUESTION ON NOTICE**

**Finance and Administration Portfolio**

**Department of Finance and Administration**

Supplementary Budget Estimates Hearing – October 2006

**Question: F55**

**Outcome 1, Output 1.2.3**

**Topic: Payout of the Australia Government's Superannuation Liabilities to the Telstra Superannuation Scheme**

**Hansard Page: F&PA 96-97**

**Senator Sherry asked:**

Was an actuarial report prepared by Mercers presented to the department on this matter? If you could take it on notice to provide us with that document....

**Answer:**

The Department of Finance and Administration (Finance) obtained actuarial advice from Mercer Human Resource Consulting (Mercers) on the amount that the Australian Government could reasonably pay to the Telstra Superannuation Scheme (TSS) to extinguish the superannuation liability relating to those Telstra employees who had transferred to the TSS from the Commonwealth Superannuation Scheme. We understand that Telstra Pty Ltd sought similar advice from its own actuarial service provider.

While Finance does not normally provide legal or actuarial advice, we can confirm that Mercers identified a range within which an agreed reasonable payout figure could be negotiated. The amount that was paid in relation to these former members fell within the range advised by Mercers.