

Superannuation in the Costing of Government Services

Research Paper

**STEERING COMMITTEE FOR THE
REVIEW OF COMMONWEALTH/STATE
SERVICE PROVISION**

1 9 9 8

© Commonwealth of Australia 1998

ISBN: 0 646 33565 0

This research paper was produced by the Steering Committee for the Review of Commonwealth/State Service Provision (SCRCSSP). The paper is copyright and may be used as permitted by the *Copyright Act 1968* provided appropriate acknowledgment of the source is published. Any inquiries should be directed to the Steering Committee Secretariat.

The Productivity Commission acts as the Secretariat for the SCRCSSP.

Secretariat
Steering Committee for the Review of Commonwealth/State Service Provision
Productivity Commission
LB 2 Collins Street East Post Office
Melbourne VIC 8003

Level 28
35 Collins Street
Melbourne VIC 8003

Telephone: 03 9653 2100 or Freecall: 1800 020 083
Facsimile: 03 9653 2359
E-mail: gsp@pc.gov.au
<http://www.pc.gov.au/service/gspindex.html>

Suggestions:

The Steering Committee welcomes suggestions on the information contained in this research paper. Please direct your suggestions to the Productivity Commission Secretariat at the above address.

An appropriate citation for this report is:

Steering Committee for the Review of Commonwealth/State Service Provision 1998, *Superannuation in the Costing of Government Services*, AusInfo, Canberra.

TABLE OF CONTENTS

KEY MESSAGES	1
1 Why the treatment of superannuation costs matters	3
1.1 Objectives of the <i>Report on Government Services</i>	4
1.2 Nature of the public sector superannuation schemes	5
1.3 Service agency approaches to the treatment of superannuation	6
2 Extent of differences in the treatment	7
3 Impact of different treatments on specific services	8
3.1 Police services	12
3.2 Public hospitals	12
3.3 School education	17
3.4 Apparent shortcomings in the current treatment of superannuation	19
4 Improving the current treatment	19
4.1 Comparability and completeness	19
4.2 Transparency	23
5 Conclusions	24
Attachment: Superannuation schemes for employees of police, schools and public hospitals	27
A1 New South Wales	27
A2 Victoria	28
A3 Queensland	29
A4 South Australia	29
A5 Western Australia	31
A6 Tasmania	32
A7 Northern Territory	33
A8 Australian Capital Territory	34
A9 Commonwealth	35
REFERENCES	37

Key messages

Present treatment of superannuation in costing of government services

Service agencies have treated superannuation differently in calculating the cost of government services for the *Report on Government Services*. This variation can have a major effect on the comparability of reported unit costs, the key measure of efficiency.

Service agencies with employees in defined benefit superannuation schemes, under which retirement benefits are normally linked to pre-retirement salaries, indicated that, when calculating service cost, they have included superannuation:

- on a funding basis — the agency contribution to schemes in each period;
- on an accrual basis — the liability incurred by the agency in each period;
- on an emerging basis — the payment made to retired employees in each period; or
- at zero cost (that is, excluding superannuation).

Governments often bear some superannuation costs in addition to the costs included by the service agency.

Principles for the treatment of superannuation costs

The correct treatment of superannuation when calculating the cost of a service is to include the full accrued cost for government overall. This recognises the full cost to government of resources used in providing a service.

The best estimate of the accruing superannuation costs associated with defined benefit schemes will be based on actuarial calculations. Each Treasury, in consultation with the superannuation funds, should be responsible for annual advice to service agencies of the accruing superannuation liability for their employees. This advice should be based on an annual actuarial estimate or if this is not available, three yearly actuarial estimates or the best non-actuarial method for estimating the annual accruing cost.

The choice of an annual non-actuarial method for estimating the accrued cost should consider:

- the ease of application;
- the sensitivity of the estimates to the assumptions on which it is based;
- the potential for the assumptions to be incorrect; and
- the implementation costs.

Exclusion of superannuation, or inclusion on an emerging cost basis, are the worst approaches. Exclusion may be an acceptable interim approach, but only where employment costs are a relatively small part of total costs and there are similar mixes of government and non-government service delivery across jurisdictions. Emerging superannuation costs are an unsound basis for costing as they are unrelated to the cost of resources used in the period for which the service was provided.

In all cases where non-actuarial estimation methods are used, differences in treatment and incorporated costs should be transparent.

Box 1: Common superannuation terms

Superannuation — a long-term savings arrangement which primarily operates to provide income for retirement. Superannuation savings are usually made through trust funds. Superannuation benefits may be seen as an additional benefit provided by the employer. In either case superannuation is considered an employment cost.

Accumulation scheme — a superannuation scheme in which the contribution of the employer is specifically defined and the retirement benefit for employees is uncertain and depends on the fund earnings, management expenses and tax.

Defined benefit scheme — a superannuation scheme in which the retirement benefit to employees is specifically defined, usually based on a formula in terms of years of service with the employer (or years of membership of the fund) and average salary level over the few years before retirement, and the eventual employer contribution is uncertain.

Fully funded — a superannuation scheme in which the employer contribution to the fund in each period is sufficient to ensure that the assets of the fund cover the actual value (for accumulation schemes) or estimated accruing value (for defined benefit schemes) of all member entitlements.

Partially funded — a superannuation scheme in which the employer makes a contribution to the fund in each period but the assets of the fund are insufficient to cover the estimated accrued value of all member entitlements.

Unfunded — a superannuation scheme in which the employer makes no contribution to the fund. Funding is provided only as required for payments to retiring employees.

Accrued superannuation cost — the superannuation liability incurred during a period associated with the retirement benefits that current employees have accumulated during the period.

Emerging superannuation cost — superannuation payments made during a period to retired employees.

Actuarial estimate of accrued superannuation cost — an estimate of the present value of the future benefits payable to superannuation fund members based on actuarial assumptions. These assumptions relate to matters such as future investment returns, salary growth, inflation rates, mortality rates and the rate at which members leave the fund.

Source: ASFA (1997).

1 Why the treatment of superannuation costs matters

The objective of this paper is to improve completeness, comparability and transparency of the treatment of superannuation in calculating government service costs for the annual *Report on Government Services* (SCRCSSP 1998).¹

Superannuation is part of the cost of government employee resources used in producing a government service and so should be included in the calculation of total service costs. The treatment of superannuation is a significant issue when compiling costs of government services across jurisdictions because:

- superannuation costs make up a large component of overall costs for many services;
- the choice of the treatments used can have a substantial impact on reported costs; and
- differences in treatment are seldom readily transparent.

In particular, exclusion of superannuation from the cost information provided by some jurisdictions but not others can significantly affect the comparability of unit cost information where superannuation costs make up a significant proportion of the service cost. For example, superannuation represents a significant part of the cost of police services (14.2 per cent of the reported costs for Victoria) but it was treated inconsistently across jurisdictions — the NT police services cost information excluded superannuation but Victoria included it at what they considered was its full cost.

The approach undertaken in this paper is to:

- compare the current treatment of superannuation costs for a number of services across jurisdictions;
- assess how the choice of the treatment of superannuation costs may affect reported unit cost information; and
- develop approaches that could be implemented over time to improve the treatment of superannuation costs where the impact of the choice of treatment is material.

¹ The shortcomings in the current treatment of superannuation costs also apply to reports prepared by other agencies using the same cost data. Examples include: health, housing and community services data used by the Australian Institute of Health and Welfare (AIHW); school education data used by the Ministerial Council for Education, Employment, Training and Youth Affairs (MCEETYA); and vocational education and training data used by the Australian National Training Authority (ANTA) and the National Centre for Vocational Education Research (NCVER).

1.1 Objectives of the *Report on Government Services*

The annual *Report on Government Services* compares government performance in providing key human services. The objective is to better inform judgments and public policy actions and thus promote continuing service improvement.

One focus of the Report's Steering Committee is on expanding the scope of the indicators presented to cover all the key objectives of applicable services. It also recognises that there is considerable scope to improve the quality of the data used in indicators, particularly their comparability.

Service performance is measured using a framework of indicators covering both efficiency and effectiveness. Such measurement allows users to make comparisons across jurisdictions (bearing in mind that each government may attach a different set of weights to often competing objectives).

Efficiency measures focus on the relationship between inputs provided by governments and outputs. The main indicator is cost per unit of service.

Comparisons of unit costs of a service are most meaningful for policy decision making where they are complete — that is, where they accurately account for all resources consumed in providing the service.²

Incomplete performance information should be at least:

- comparable — that is, calculated on a consistent basis across all jurisdictions and modes of service delivery and over time so that 'apples' are compared with 'apples'; and
- transparent — that is, clearly identifying all significant differences in the treatment of costs (such as excluded cost elements).³

Complete cost information for government services is also important for other purposes, such as when considering competitive neutrality issues.

The Steering Committee, if faced with difficulties and shortcomings in indicators and available data, usually seeks to publish the best available (even if the initial results are imperfect), and then focuses on improvement over time. Applying such an approach to the treatment of superannuation costs is the aim

² The Report focuses on reporting on costs of services from a whole-of-government perspective and therefore aims to incorporate all government costs whether they are borne by the service agency or government generally. This may differ from the approach taken by the Commonwealth Grants Commission which collects superannuation information relating to agency contributions to superannuation funds.

³ This includes instances where services are delivered using a mix of non-government (for example, contracted) and government activities.

of this paper. Thus, it is important to identify both the desired longer-term outcome and intermediate steps for moving towards this outcome.

1.2 Nature of the public sector superannuation schemes

Both the form of employee benefits under government superannuation schemes and how governments fund these schemes can complicate the treatment of superannuation in the calculation of the cost of government services.

Government employee superannuation benefits are usually provided by one of two types of schemes:

- *an accumulation scheme* in which the employer contribution is specifically defined and the retirement benefit to each employee is based on the net rate of return on this contribution, less costs (much like a bank account), and therefore is uncertain; or
- *a defined benefit scheme* in which the retirement benefit to each employee is specifically defined based on pre-determined variables such as pre-retirement salary and years of service and therefore the eventual employer contribution is uncertain.⁴

An accumulation scheme is fully funded by definition. The employer cost is met in each period by an up front payment to the scheme. The cost for each period is known with certainty, so its inclusion in the cost of a service is straightforward.

In a defined benefit scheme, the accruing superannuation liability associated with current employment⁵ is uncertain because the future rate of accumulation of the employer liability are unknown, although actuarial estimates can be made. Actuarial estimates incorporate such variables as future investment returns, salary growth, inflation rates, mortality rates and rates at which members are expected to leave the fund in the future.

Defined benefit schemes can be:

- *fully funded*, whereby the government contribution to the fund each period is sufficient to ensure that the assets of the fund cover the estimated accruing value (for defined benefit schemes) of all member entitlements associated with current employment;

⁴ The formula may be, for example, that a retiring member will receive a lump sum of 15 per cent of final average salary for each year of membership.

⁵ This needs to be distinguished from the interest liability incurred in the current year associated with liabilities incurred in previous years.

- *partially funded*, whereby government contributes to the fund in each period but the assets of the fund are insufficient to cover the estimated accrued value of all member entitlements; or
- *unfunded*, whereby government does not contribute to the fund. Government funding is provided only as required for payments to retiring employees.

Historically, public sector superannuation schemes have been defined benefit schemes that pay benefits either as a pension or as a lump sum at retirement. However, there has been a shift towards accumulation schemes and lower employee benefits since the mid to late 1980s. These are now the only types of schemes open to nearly all new public sector employees in NSW, Victoria, WA and SA.⁶ However, longer serving employees continue to have the option of remaining as members of defined benefit schemes. Thus all governments are still accruing liabilities associated with defined benefit schemes.

1.3 Service agency approaches to the treatment of superannuation

Service agencies indicated that they have taken a range of approaches to the treatment of superannuation when compiling cost data for inclusion in the *Report on Government Services*. They have:

- included as superannuation costs the service agency funding contributions to superannuation schemes over the reporting period;
- included as superannuation costs the overall government accrued liabilities incurred on behalf of employees over the reporting period;
- included as superannuation costs the payments made to retired employees in the reporting period (the emerging cost); or
- excluded superannuation completely.

In many cases it would appear that the service agency treatments reflect general advice from Treasuries as to how agencies should account for superannuation.⁷ For defined benefit schemes, where the cost borne by the service agency is its contribution to the superannuation scheme each year and these do not cover the full accruing liability the residual cost is borne by the government overall. In some cases the service agency contribution is that specified under the Commonwealth superannuation guarantee legislation.

⁶ Exceptions include judges and parliamentarians in at least a number of States and fire/emergency services employees in Victoria.

⁷ Based on information provided by service agencies.

However, there seems to be a trend to an accrual approach to superannuation costs which aligns with the general move to accrual accounting by the Commonwealth, State and Territory Governments (box 2). Further, governments have adopted accrual costing under the competitive neutrality principles of the inter-government competition principles agreement.⁸

Box 2: Government accounting standards relevant to reporting on superannuation

AAS25

All government superannuation funds are required to prepare a full actuarial calculation of the accrued benefits at least every three years.

AAS29

Employee entitlements include wages and salaries, long-service leave, recreational leave and superannuation benefits. Liabilities in respect of these entitlements are assessed having regard to such factors as experience of employee departures and periods of service.

The superannuation expense for the period is determined by an actuary. It reflects the present value of anticipated future payments to be made to beneficiaries as a result of membership to date, as calculated by an actuary.

Sources: AARF (1993 and 1996).

The effect of different treatments of superannuation costs on unit cost information is examined in section 3.

2 Extent of differences in the treatment

The treatment of superannuation costs was reviewed for those government services for which unit cost information was reported in the *Report on Government Services 1998* (SCRCSSP 1998).

The relevant services were:

- school education;
- vocational education and training (VET);
- health;
- police services;

⁸ See, for example, Victorian Department of Treasury and Finance (1997, pp. 14–15).

- court administration;
- corrective services; and
- housing.

The advice from service agencies about how they treated superannuation when calculating service costs is summarised in table 1. The other services covered by the Report do not yet provide detailed unit cost data, but they also will need to consider the treatment of superannuation when they advance to this stage.

Most service agencies for all services (except VET) indicated that they included superannuation on an accruing cost basis. All court administration, school education and corrective services agencies indicated that they used this approach, and there was only one exception in the housing sector.

For VET, the Australian National Training Authority (ANTA) and the National Centre for Vocational Education Research (NCVER) supplied cost data for inclusion in the Report. Each used a uniform approach to the treatment of superannuation costs across all jurisdictions. For those segments of VET services for which data was supplied by ANTA, superannuation was excluded. For other VET services for which data was provided by NCVER, superannuation was included on an emerging cost basis.⁹

The greatest variations in the approaches to reporting superannuation were for health and police services. Agencies for these services indicated that they included superannuation cost based on its accruing cost, emerging cost or the national average of costs (a mix of accruing and emerging costs), or excluded it.

Although most agencies measured accruing superannuation costs, their methods of determining the accrued liability may differ. The effect on reported service costs of differences in the conceptual approach or its application is explored further in section 3.

3 Impact of different treatments on specific services

The correct treatment of superannuation in the calculation of service costs is to include it on an accruing cost basis, estimated actuarially and from an overall government perspective.

⁹ Although individual jurisdictions may have internally costed superannuation on an accrual basis, a modified Statement of Cash Flows for 1996 was prepared on a cash basis of accounting for all jurisdictions by NCVER for inclusion in the 1998 *Report on Government Services* as not all jurisdictions had implemented accrual reporting systems at that time. The 1997 NCVER data collection, to be reported in the 1999 Report, includes superannuation on a full accrual basis for all VET agencies with the exception of the NT.

Table 1: Basis on which service agencies indicated that they incorporated superannuation costs, 1996-97^a

<i>Service</i>	<i>NSW</i>	<i>Vic</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas</i>	<i>ACT</i>	<i>NT</i>
School education ^b	Accrual	Accrual	Accrual	Accrual	Accrual	Accrual	Accrual	Accrual
Vocational education and training ^c	Excluded/emerging	Excluded/emerging	Excluded/emerging	Excluded/emerging	Excluded/emerging	Excluded/emerging	Excluded/emerging	Excluded/emerging
Public hospitals ^d	Accrual	Accrual	Accrual	National average ^e	Accrual	Accrual	Accrual	National average ^e
Police services	Accrual	Accrual ^f	Accrual	Emerging ^g	Accrual	Accrual	— ^h	Excluded
Court administration ⁱ	Accrual	Accrual	Accrual	Accrual	Accrual	Accrual	Accrual	Accrual
Corrective services	Accrual	Accrual	Accrual	Accrual	Accrual	Accrual	Accrual	Accrual
Housing ^j	Accrual	Accrual	Emerging/accrual ^k	Accrual	Accrual	Accrual	Accrual	Accrual

— not applicable

a The accrual cost may have been estimated actuarially or using other methods.

b Basis on which superannuation costs were incorporated in cost data provided to MCEETYA. Cost data were from MCEETYA unpublished (1996). School education data reported for the 1996 calendar year.

c Excluded in ANTA data; included on an emerging cost basis in NCVER data. Although individual jurisdictions may have internally costed superannuation on an accrual basis, a modified Statement of Cash Flows for 1996 was prepared on a cash basis of accounting for all jurisdictions by NCVER for inclusion in the 1998 *Report on Government Services* as not all jurisdictions had implemented accrual reporting systems at that time.

d Basis on which superannuation costs were incorporated in cost data provided to the AIHW. Cost data were published in AIHW (1997).

e Calculated as the national average superannuation cost (in dollars) per casemix-adjusted separation.

f The reported cost for Victoria included an additional payment earmarked for the unfunded liabilities associated with previous and current employees.

g WA Police are currently in the process of introducing accrual costing.

h Police services in the ACT were provided by the Australian Federal Police on a contract basis. The contract price included a component for superannuation costs.

i For Commonwealth court services, superannuation was included on an accrual cost basis.

j Basis on which superannuation costs were incorporated in cost data provided to the AIHW. Cost data were published in AIHW (1996).

k Accrual cost basis for administration costs. Emerging cost basis for other costs.

Differences between the superannuation costs which agencies included in the cost information they provided for inclusion in the Report and overall government accrued superannuation costs could derive from two sources:

- the non-accrual treatment of superannuation costs (for example, inclusion on the basis of fund contribution or emerging cost) or exclusion; or
- poor estimation of the accrued cost.

These differences are more likely to compromise comparisons between jurisdiction costs where:

- employee remuneration costs are a large component of overall costs; and/or
- superannuation costs are a large part of employee remuneration costs.

Different treatments of superannuation costs will particularly affect the validity of cost comparisons where some agencies have contracted out service elements. Payments for contracted elements of a service generally fully account for superannuation costs whereas the costs provided for government activities may incorporate superannuation costs to varying extents.

Agency-advised superannuation costs were compared with estimates of overall government accrued superannuation costs for a sub-group of services — police services, public hospitals and school education — to illustrate the impact of agency treatments of superannuation.

The overall government accrued superannuation costs for each service were estimated from Treasury information on the actuarial costs for superannuation schemes applicable to the relevant employees.¹⁰

In order to allocate fund costs between services, it was often necessary to make simplifying assumptions because the superannuation schemes typically covered employees of several service agencies, and employees of each agency were spread across several schemes. These assumptions related to the distribution of employees across schemes and the average wages of employees in each scheme.

Care was taken to ensure that overall government superannuation costs were not overestimated (box 3). The key assumption was that the average wage of employees covered by the different schemes was identical — in practice, the average wages of longer serving employees covered by older (generally closed) schemes with higher superannuation benefits are likely to be higher than those of other employees.

¹⁰ Details of the jurisdiction superannuation schemes applying to current employees of police, public hospitals and school education services are given in the Attachment.

Box 3: Estimating the superannuation cost of a service from superannuation scheme information

The overall government superannuation cost for a service can be estimated from information for whole-of-government superannuation schemes. Specifically, the rate at which the superannuation liability is accruing for each superannuation scheme covering employees of the service agency, and the wages of employees covered by each scheme, are required.

Worked example 1

Half of the employees producing a service are members of a new scheme (accruing superannuation benefits of 6 per cent of wages) and half are members of an old scheme (accruing superannuation benefits of 20 per cent of wages). The average wage of employees in each scheme is \$35 000. The average accruing superannuation cost per employee is then:

$$[50\% \times 6\% \times \$35\,000] + [50\% \times 20\% \times \$35\,000] = \$4\,550 = 13\% \text{ of the average wage}$$

Worked example 2

Employees covered by higher benefits schemes (the old scheme) may have higher average wages because of longer average service. If wages of employees in the new scheme average \$30 000 and in the old scheme \$40 000, the average accruing superannuation cost per employee is then:

$$[50\% \times 6\% \times \$30\,000] + [50\% \times 20\% \times \$40\,000] = \$4\,900 = 14\% \text{ of the average wage}$$

If it was assumed that the average wage of employees covered by each scheme was the same then the superannuation cost would be underestimated by one percentage point.

NSW police service

Applying this methodology to the NSW police service, the relevant information is as follows. In 1996-97, NSW police service employees were members of one of four superannuation schemes. The PSS covered 43 per cent of police and provided accruing benefits of 18.7 per cent of wages. The SASS covered 21 per cent of police and provided accruing benefits of 11.6 per cent. The SSS covered 4 per cent of police and provided accruing benefits of 11.3 per cent, and the FSS covered 33 per cent of police and provided accruing benefits of 6 per cent.

Assuming that the average wages (\$W) of all police employees are the same, the average accruing superannuation cost per police employee is then:

$$\begin{aligned} & [43\% \times 18.7\% \times \$W] + [4\% \times 11.3\% \times \$W] + [21\% \times 11.6\% \times \$W] + [33\% \times 6\% \times \$W] \\ & = 12.9\% \times \$W \\ & = 12.9\% \text{ of the average wage.} \end{aligned}$$

If the average wages of police in the older schemes (the PSS, SSS and the SASS) are higher than the average wages of those in the FSS, this estimate is likely to understate the true cost.

3.1 Police services

Police agencies generally indicated that they included superannuation costs for employees on an accrual basis. The exceptions were WA (which used an emerging cost method) and the NT (which excluded costs) (table 2).

The superannuation costs advised by police services were typically 11–13 per cent of wages and salaries — regardless of the reported costing method — except in Victoria, where it was 21.2 per cent (table 2).¹¹

Based on comparisons of advised costs across jurisdictions it was not possible to ascertain the extent to which observed differences in advised superannuation costs reflect actual cost differences. But comparisons of the costs advised by service agencies and cost estimates derived from Treasury information were possible for NSW, Victoria, Queensland and WA.

Differences between the costs advised by the agency and the estimated overall government costs were apparent for:

- NSW (10.9 per cent compared with 12.9 per cent);¹²
- Queensland (12.7 per cent compared with 13.2 per cent);
- WA (12.2 per cent compared with 6.9 per cent); and
- Victoria (21.2 per cent compared with 17.5 per cent).

3.2 Public hospitals

All health services advised that their superannuation cost estimates for acute care hospital services were based on an accrual method. Estimates of superannuation costs ranged from 2.9 per cent to 8.8 per cent of employee costs (table 3).

¹¹ The Victorian Department of Treasury and Finance have indicated that the payment on which the superannuation cost for Victorian police services is based included an amount to reduce the unfunded liability associated with previous and current employees.

¹² See box 3 for the method used to calculate the overall government cost. Note that the accruing cost for one NSW scheme (PSS) included an amount for worker's compensation as PSS members were not eligible for the same worker's compensation benefits as other superannuation scheme members.

Table 2: Comparison of superannuation schemes and superannuation costs for police services, 1996-97

	NSW	Vic	Qld	WA	SA	Tas	ACT ^a	NT
<i>Cost advised by agency (% of salaries and wages excluding superannuation)</i>	10.9	21.2 ^b	12.7	12.2	na	na	—	0
<i>Estimated overall government cost (% of salaries and wages excluding superannuation)^c</i>	12.9	17.5	13.2 ^d	6.9	15.4	10.5	—	15.2
Agency cost basis	Accrual	Accrual	Accrual	Emerging	Accrual	Accrual	—	Exclusion
Accruing cost rates for various schemes (% of salaries and wages)	PSS (18.7) ^e SSS (11.3) SASS (11.6) FSS (6)	ESSS (17.5)	Q Super (8.73–17.58)	Pension (12.4) GSS (7.83) WSS (6)	PSS pension (16.7) PSS lump sum (10.8) SSS (9)	RBF: (10.5) Contr. (100)	—	CSS (22) NTGPASS (13) NTSSS (6) PSBS (na)
Proportion of employees in scheme (%)	PSS (43) SSS (4) SASS (20) FSS (33)	ESSS (100)	Q Super (100)	Pension (2) GSS (42) WSS (56)	PSS pension (80) PSS lump sum (14) POSS (94) SSS (6)	RBF: (100) Contr. (100)	—	CSS/PSBS (30) ^f NTGPASS (63) NTSSS (7)

na not available

— not applicable

a Police services in the ACT were provided by the Australian Federal Police on a contract basis. The contract price included a component for superannuation costs.

b The reported cost for Victoria included an additional payment earmarked for the unfunded liabilities associated with previous and current employees.

c This crude estimate is likely to understate the true cost as longer serving employees with higher average wages are likely to be members of higher benefit schemes (box 3).

d This may understate the true cost as most employees are likely to contribute a proportion of their salary linked to an accruing cost that is closer to 17.5 per cent.

e The PSS cost for NSW included an amount for worker's compensation, as PSS members were not eligible for the same worker's compensation benefits as other superannuation scheme members.

f All PSBS members were members of the CSS. Members of the NTGPASS, CSS and Police schemes were also entitled to the 3 per cent productivity benefit from the NTSSS scheme. The proportion of employees shown as members of the NTSSS comprised those not covered by another scheme (that is, casual employees) who received only the superannuation guarantee benefit.

REVIEW OF COMMONWEALTH/STATE SERVICE PROVISION

Sources: SCRCSSP (1998) and information supplied by State and Territory Governments.

Table 3: Comparison of superannuation schemes and superannuation costs for public hospital services, 1995-96

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
<i>Cost advised by agency (% of salaries and wages excluding superannuation)^a</i>	6.5	6.3	7.9	6.7	8.3	8.8	2.9	4.6
<i>Estimated overall government cost (% of salaries and wages excluding superannuation)^b</i>	7.4	6.7	na	6.6	7.8	7.9	21.6	12.7
Agency cost basis	Accrual	Accrual	Accrual	National average ^c	Accrual	Accrual	Accrual	National average ^c
Accruing cost rates for various schemes (% of salaries and wages)	SSS (12.2) SASS (11.5) FSS (6)	HSF (9-13) Hosfund (6)	na	Pension (13.6) GSS (7.67) WSS (6)	SPS (19.9) SLS (11.3) SSBS (6) SSS (8.7)	RBF: Contr. (10.5) Non-contr. (6)	PSS (13.4) CSS (28.6)	CSS (22) NTGPASS (13) NTSSS (6)
Proportion of employees in scheme (%)	SSS (2) SASS (23) FSS (75)	HSF (14) Hosfund (86)	na	Pension (1) GSS (29) WSS (70)	SPS (8) SLS (11) SSBS (80) SSS (1) ^d	RBF: Contr. (43) Non-contr. (57) ^e	CSS (54) PSS (46) ^f	CSS (13) NTGPASS (66) NTSSS (21) ^g

na not available

a 'Salaries and wages' excluded payments made to Visiting Medical Officers (VMO).

b This crude estimate is likely to understate the true cost as longer serving employees with higher average wages are likely to be members of higher benefit schemes (box 3).

c The superannuation costs of WA and the NT were based on the national average superannuation cost per casemix-adjusted separation.

d These proportions were based on the proportion of all public sector employees in each scheme.

e These proportions were based on the proportion of public sector accounts at 30 June 1997.

f These proportions were based on the proportion of public hospital employees in each scheme at 30 June 1995.

g These proportions were based on the proportion of all health employees in each scheme. Members of the NTGPASS and CSS schemes were also entitled to the 3 per cent productivity benefit from the NTSSS scheme. The proportion of employees shown as members of the NTSSS comprised those not covered by another scheme (that is, casual employees) who received only the superannuation guarantee benefit.

REVIEW OF COMMONWEALTH/STATE SERVICE PROVISION

Sources: SCRCSSP (1998) and information supplied by State and Territory Governments.

Treasuries in NSW, Victoria, SA, Tasmania and the ACT provided information on the overall government accrued costs for superannuation funds applying to public hospital employees. This allowed comparisons between each jurisdiction's agency-advised costs and cost estimates derived from Treasury information.

For NSW, estimated overall government accruing superannuation costs based on Treasury information were approximately 7.4 per cent of wage and salary costs compared with the agency-advised cost of 6.5 per cent.¹³ In the ACT, the agency-advised superannuation cost of 2.9 per cent of wages and salaries was well below the estimated overall government cost of 21.6 per cent, while in Victoria, the agency-advised cost of 6.3 per cent compared with the estimated overall government cost of 6.7 per cent. In SA and Tasmania, agency-advised costs exceeded estimated overall government accruing superannuation costs by 0.5 percentage points and 0.9 percentage points respectively.

3.3 School education

All education agencies indicated that they used an accrual method for costing superannuation. Advised costs were generally 9–13 per cent of total employee costs, except in the NT and the ACT where superannuation costs were estimated to be around 17 per cent and 18 per cent of employee costs respectively (table 4).

Superannuation costs advised by State and Territory school agencies generally slightly exceeded the estimated overall government costs derived from Treasury information. This was considered to reflect the likelihood that estimated overall government costs understated the true costs (for reasons outlined at the beginning of this section). The exceptions were SA, where the cost advised by the agency (11.7 per cent) was 0.5 percentage points below the estimated overall government cost, and the ACT, where the cost advised by the agency (18.3 per cent) was 3.3 percentage points below the estimated overall government cost.

¹³ See box 3 for the method used to calculate the overall government cost.

Table 4: Comparison of superannuation schemes and superannuation costs for school education, 1995-96

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
<i>Cost advised by agency (% of salaries and wages excluding superannuation)</i>	10.4	10.5	13.0	11.5	11.7	9.6	18.3	17.0
<i>Estimated overall government cost (% of salaries and wages excluding superannuation)^a</i>	8.2	8.6	na	6.9	12.2	7.9	21.6	13.6
Agency cost basis	Accrual	Accrual	Accrual	Accrual	Accrual	Accrual	Accrual	Accrual
Accruing cost rates for various schemes (% of salaries and wages)	SSS (12.2) SASS (11.5) FSS (6)	SSF (7.3-13.4) Vic Super (6)	Go Super (na) Q Super (na) State Super (na)	Pension (14.7) GSS (8.95) WSS (6)	SPS (19.9) SLS (11.3) SSBS (5) SSS (8.7)	RBF: Contr. (10.5) Non-contr. (6)	PSS (13.4) CSS (28.6)	CSS (22) NTGPASS (13) NTSSS (6)
Proportion of employees in scheme (%) ^b	SSS (21) SASS (17) FSS (62)	SSF (59) Vic Super (41)	Go Super (18) Q Super (78) State Super (2) ^c	Pension (1) GSS (27) WSS (72)	SPS & SLS (64) ^d SSBS (35) SSS (1)	RBF: Contr. (43) Non-contr. (57) ^e	CSS (54) PSS (46)	CSS (19) NTGPASS (71) NTSSS (10) ^f

na not available

a This crude estimate is likely to understate the true cost as longer serving employees with higher average wages are likely to be members of higher benefit schemes (box 3).

b For SA and Victoria, these proportions were based on the breakdown of all public sector employees by scheme.

c Approximately 2 per cent of school education employees were not members of any superannuation scheme.

d SA Treasury estimate that of the 23,805 employees in the SPS and SLS at 30 June 1996, approximately 40 per cent were government school education employees. This equates to 9,522 employees, or roughly 64 per cent of the total number of Queensland government school education employees (14,945).

e These proportions were based on the proportion of public sector accounts at 30 June 1997.

f Members of the NTGPASS and CSS schemes were also entitled to the 3 per cent productivity benefit from the NTSSS scheme. The proportion of employees shown as members of the NTSSS comprised those not covered by another scheme (that is, casual employees) who received only the superannuation guarantee benefit.

Sources: MCEETYA unpublished (1996) and information supplied by State and Territory Governments.

3.4 Apparent shortcomings in the current treatment of superannuation

The analysis of current agency treatment of superannuation is insufficient to quantify the extent to which advised superannuation costs differ from overall government superannuation costs, even for the three services examined in detail. However, it does provide substantial evidence that:

- agency treatment of superannuation when compiling cost data for the *Report on Government Services* could be better documented;
- agency superannuation costings in a number of instances are not yet accrual-based; and
- there is uncertainty about the completeness of agency superannuation costings — in some cases there appears to be a significant overall government superannuation cost in addition to that advised by the service agency.

There is clearly considerable scope to improve the treatment of superannuation costs in the costing of government services.

4 Improving the current treatment

Approaches for improving the treatment of superannuation can be evaluated in terms of:

- the significance of the potential improvement;
- the extent to which they address current shortcomings in:
 - comparability (comparing ‘apples’ with ‘apples’);
 - completeness (accounting for all economic costs);
 - transparency (clarifying what is being compared with what); and
- the cost of implementation.

4.1 Comparability and completeness

4.1.1 Best approach — accruing cost based on an actuarial calculation

An actuarial calculation by a government defined benefit superannuation fund is the best measure of the accruing liability for the government employees covered

by such a fund.¹⁴ The managers of these funds must prepare such calculations at least every three years (AARF 1993).

A precise derivation of the full annual accruing superannuation liability associated with each service from the above information requires:

- annual actuarial estimates of the accrued cost for each fund covering service employees; and
- an allocation of the annual actuarial estimate between service employees and other government employees.¹⁵

An estimate of superannuation cost prepared on this basis meets all of the criteria for an ideal cost measure: it can be applied consistently across all services; it encompasses all of the superannuation cost of the employees used to produce the service; and all assumptions are clearly stated.

Superannuation funds are required under current accounting standards (AAS25) to prepare an actuarial estimate of the accruing liability at least every three years but for service costing purposes, annual superannuation costs are required. Practical considerations will dictate how precisely the annual accruing cost for each superannuation scheme is estimated each year and then allocated between services.

The greater precision of annual actuarial estimates needs to be weighed against the lower cost of annual estimates derived using up to two year old actuarial information or non-actuarial estimation methods.

An advantage of combining triennial actuarial information with estimates derived using simpler, non-actuarial methods in other years is that it may allow better account to be taken of any significant changes in assumptions underpinning the actuarial estimate. An example would be changes in the composition of the agency's workforce due to a large redundancy program focused on older employees.

Further, it may be costly to accurately separate out the superannuation liability of the groups of employees involved in supplying the service under review or of employees working for individual service agencies. Crude allocations estimates (such as those used in tables 2, 3 and 4) may be more appropriate.

¹⁴ The accruing liability may be shared between agencies and the government overall. An agency, for example, may include in its costs the contribution that it makes to the fund (often that required by the minimum superannuation guarantee) and the government then bears the remainder of the overall government accruing liability.

¹⁵ Such an actuarial estimate of the accruing cost should ideally include that part of the cost of administering the fund relating to current employees.

4.1.2 Second best approach — accruing cost based on a non-actuarial estimate

Non-actuarial estimates of the accrued cost of superannuation may be less accurate but are likely to be a significant improvement over exclusion or inclusion on an emerging cost basis because:

- if superannuation costs are excluded, reported unit costs can be a substantial underestimate; and
- if superannuation costs are included on an emerging cost basis, reported costs may be significantly higher or lower than actual costs.

State and Territory Treasuries, in consultation with the superannuation funds, are in the best position to advise service agencies on the best approach to estimating the overall government cost of superannuation for their employees.

The choice of a non-actuarial estimation method should consider:

- the ease of application;
- the sensitivity of the estimates to the assumptions on which it is based;
- the potential for the assumptions to be incorrect; and
- the implementation costs.

Methods based on expressing superannuation costs as a percentage of salaries have the advantage of allowing such costs to be allocated to an agency's different services based on their wage and salary costs net of superannuation.

An example of a comprehensive approach to the treatment of superannuation is that detailed in the court administration data manual (box 4).

4.1.3 Worst approaches — exclusion and emerging cost

Excluding the costs of superannuation from the unit cost data for all jurisdictions may improve service cost comparisons if it is not possible to obtain estimates of the accruing cost of superannuation. But it fails to recognise a significant employment cost and therefore leads to cost understatement. In addition, if superannuation costs are significantly different across jurisdictions, their omission will reduce the usefulness of reported cost information.

Box 4: The counting rule for the treatment of superannuation in the court administration data collection manual

The treatment of superannuation in the court administration data collection does not vary for fully funded, partially funded and unfunded superannuation and pension schemes. The appropriate annual cost of the scheme is the employer component of the accrued liability. The method of determining this liability may vary from scheme to scheme.

Fully funded superannuation schemes

Include the employer contribution to the State or Territory superannuation scheme for the current period for all employees of court administration; include the contributions whether made by the court administration agency or by an umbrella or other department on behalf of court administration (ETF 1111) — ETF codes are those used to define superannuation payments in the ABS Government Finance Statistics collection.

Exclude any superannuation pensions and lump sum payments to former employees by the court administration agency and the superannuation scheme (ETF 1112) as well as any amounts received from employees, superannuation funds and other employers in respect of superannuation (ETF 1124).

Unfunded and partially funded superannuation and pensions schemes

Respondents will need to seek regular actuarial advice as to the size of the superannuation liabilities incurred relative to the total salary expenditure of the court administration agency. Footnote this ratio for each area of salary expenditure and use the change in total salary expenditure to provide estimates of superannuation contributions when actuarial advice is not sought. Where different superannuation and pension entitlements are accrued for a particular class of employees (such as judicial officers) separate actuarial advice will need to be sought for this group.

Exclude any superannuation pensions and lump sum payments to former employees by the court administration agency and the superannuation scheme (ETF 1112) as well as amounts received from employees, superannuation funds and other employers in respect of superannuation (ETF 1124).

Seeking actuarial advice

Actuarial advice as to the increase in liability of the court administration agency should be available from the operator of the superannuation scheme or your central agency. The proportion requested should be the liability incurred by the employer from the employees of the court administration between 1 July and 30 June of the collection period.

Source: Secretariat, Court Administration Working Group (1998).

Exclusion should only be considered where labour costs are not a major share of the total service cost, and only then in the short term until an accrual based

approach can be developed.¹⁶ Exclusion is an inappropriate approach, even in the short term, for services provided by significantly different mixes of government and non-government agencies across jurisdictions. This is because payments for non-government elements of a service generally fully account for superannuation costs whereas the costs provided for government activities may incorporate superannuation costs to varying extents.

Use of emerging cost as the basis for costing superannuation is conceptually unsound. Costs reported on this basis bear no relationship to true costs and can vary substantially across jurisdictions and across years independent of variations in true accruing costs. Such cost estimates are likely to be particularly misleading for service agencies with a young and stable workforce (where there is little ‘paying out’ of retired employees), or a shrinking or relatively old workforce (where current payouts are likely to exceed accruing liabilities).

4.2 Transparency

Regardless of how service agencies treat the costs of superannuation, it is important to provide users of the cost data with information about the basis on which the data was compiled.

This in turn requires that jurisdictions and/or centralised data collectors ensure that there is an agreed basis for data compilation and that agencies supply data on this basis.¹⁷

At present, most services for which cost data is collected for the Report do not have sufficiently clear guidelines or counting rules to guide service agencies in how they should treat superannuation costs. Further, variations in the treatment of superannuation by different jurisdictions for a given service are not made explicit. The exception is court administration, for which a data collection manual prepared by the Secretariat details the treatment of superannuation when compiling service costs (box 4).

When superannuation costs are not based on actuarial calculations (that is, they are based on non-actuarial estimates of the accruing cost or cash payments — emerging cost or contributions to the fund), it is important that the differences in

¹⁶ For example, the exclusion of superannuation costs would have a large effect on police services, public hospitals and school education. This is because labour costs represent more than three quarters of reported total recurrent costs for these services.

¹⁷ Data collectors include the Productivity Commission for court administration, police, corrective services, children’s services, disability services and school education; AIHW for health, housing and community services; MCEETYA for school education; and ANTA and NCVET for vocational education and training.

treatment and incorporated costs be made explicit. This ensures that the effect of such differences can be assessed by data users prior to making policy decisions.

5 Conclusions

The treatment of superannuation is a significant issue when measuring the unit cost for many services. It often makes up a major component of overall costs, can be treated differently across services and across jurisdictions, and often is not transparent in those differences.

Superannuation costs should be incorporated as part of the current services cost on an accrual basis because this reflects actual employment costs. Further, the accrued cost should relate to the government overall rather than the service producing agency. In particular, if a service agency contributes to a defined benefit fund in each period, cost calculations need to allow for any additional accrued cost for the government overall.

Treasury (or Finance) Departments, in consultation with the superannuation funds covering service employees, are in the best position to advise service agencies on the overall government accrued superannuation costs. An actuary can prepare the most accurate estimate of this accrued cost based on generally accepted and explicit actuarial assumptions.¹⁸

Less expensive but less accurate estimation methods are also available. The choice of such methods should consider:

- the ease of application;
- the sensitivity of the estimates to the assumptions on which they are based;
- the potential for the assumptions to be incorrect; and
- the implementation costs.

Even if an estimate of the accrued cost is not available, excluding superannuation costs for all jurisdictions may be an interim strategy for improving the comparability of reported costs. Exclusion is less appropriate for services for which superannuation costs are a significant component of costs and inappropriate, even in the short term, for services for which mixes of internal and external service delivery differ significantly across jurisdictions.

¹⁸ This should include that part of the administration costs of the fund relating to current employment. In practice it may be difficult to separate the costs of administration for current and previous employment and, given that most administration costs will typically relate to previous employment, exclusion of administration costs may be expedient.

Inclusion of superannuation on an emerging cost basis is also undesirable because cost information prepared on such a basis can vary substantially across jurisdictions and across years independent of variations in actual costs.

If superannuation costs are not based on an actuarial calculation, then:

- the treatment should be transparent to minimise the risk of the information being misinterpreted; and
- their level should be explicit so that data users can exclude them from comparisons, if required.

It is encouraging that a majority of the service agencies providing cost information included superannuation on an accrued cost basis. However, it is of some concern that some service agencies for vocational education and training, health, police and housing services excluded superannuation costs altogether or included emerging superannuation costs. It is of most concern that the treatment of superannuation costs was rarely transparent, although this will be addressed in future editions of the *Report on Government Services*.

It is considered that applying basic principles for the treatment of superannuation in the costing of government services can improve the completeness, comparability and transparency of cost indicators significantly.

Attachment: Superannuation schemes for employees of police, schools and public hospitals

A1 New South Wales

Police

SSS	State Superannuation Scheme (closed 1985)
PSS	Police Superannuation Scheme (closed 1988)
SASS	State Authorities Superannuation Scheme (closed 1992)
FSS	First State Superannuation Scheme (open)

Public hospitals

SSS	State Superannuation Scheme (closed 1985)
SASS	State Authorities Superannuation Scheme (closed 1992)
FSS	First State Superannuation Scheme (open)

Schools

SSS	State Superannuation Scheme (closed 1985)
SASS	State Authorities Superannuation Scheme (closed 1992)
FSS	First State Superannuation Scheme (open)

- *At 30 June 1997:*
 - *State Superannuation Scheme contained 718 police service employees;*
 - *Police Superannuation Scheme contained 7,732 police service employees;*
 - *State Authorities Superannuation Scheme contained 3,731 police service employees; and*
 - *First State Superannuation Scheme contained 5,912 police service employees.*

- *At 30 June 1996:*
 - *State Superannuation Scheme contained:*
 - 22,383 government school education employees; and*
 - 1,262 hospitals and area health services employees.*
 - *State Authorities Superannuation Scheme contained:*
 - 18,192 government school education employees; and*
 - 33,073 hospitals and area health services employees.*
 - *First State Superannuation Scheme contained:*
 - 65,290 government school education employees; and*
 - an estimated 75 per cent of hospitals and area health services employees.*

A2 Victoria

Police

ESSS Emergency Services Superannuation Scheme (open)

Public hospitals

HSF Hospital Superannuation Fund (closed 1994)

Hosfund Hosfund (open)

Schools

SSF State Superannuation Fund (closed 1994)

Vic Super Vic Super (open)

- *At 30 June 1997:*
 - *Emergency Services Superannuation Scheme contained all police officers.*
- *At 30 June 1996:*
 - *Hospital Superannuation Fund contained 14,083 public hospital employees;*
 - *Hosfund contained 85,012 public hospital employees;*
 - *State Superannuation Fund contained 102,364 Victorian public service employees; and*
 - *Vic Super contained 71,499 Victorian public service employees.*

A3 Queensland*Police***Q Super** Q Super (open)*Public hospitals***na** not available*Schools***Go Super** Go Super (open)**Q Super** Q Super (open)**State Super** State Super (closed 1990)

- *At 30 June 1997:*
 - *Q Super contained all police employees.*
- *At 30 June 1996:*
 - *Go Super contained an estimated 18 per cent of government school education employees;*
 - *Q Super contained an estimated 78 per cent of government school education employees; and*
 - *State Super contained an estimated 2 per cent of government school education employees.*

A4 South Australia*Police***PSS** Police Superannuation Scheme (closed):

- Pension scheme (closed 1990)
- Lump sum scheme (closed 1994)

POSS Police Occupational Superannuation Scheme (closed 1994)**SSS** Southern State Superannuation Scheme (open)

Public hospitals

SPS	State Pension Scheme (closed 1986)
SLS	State Lump Sum Scheme (closed 1994)
SSBS	State Superannuation Benefit Scheme (open)
SSS	Southern State Superannuation Scheme (open)

Schools

SPS	State Pension Scheme (closed 1986)
SLS	State Lump Sum Scheme (closed 1994)
SSBS	State Superannuation Benefit Scheme (open)
SSS	Southern State Superannuation Scheme (open)

- *At 30 June 1997:*
 - *Police Superannuation Scheme:*
 - pension fund contained 2,910 police officers;*
 - lump sum fund contained 496 police officers;*
 - (Police Occupational Superannuation Scheme contained all police officers who were members of the Police Superannuation Scheme);*
 - and*
 - *Southern State Superannuation contained 203 police officers.*
- *At 30 June 1996:*
 - *Southern State Superannuation contained 1,777 SA public service employees;*
 - *State Superannuation Benefit Scheme contained approximately 100,000 SA public service employees;*
 - *State Pension Scheme contained 10,644 SA public service employees; and*
 - *State Lump Sum Scheme contained 13,161 SA public service employees.*
 - (Note: of all public service employees who were members of the SPS and SLS, it was estimated that 40 per cent were government school education employees).*

A5 Western Australia*Police*

Pension Scheme Superannuation and Family Benefits Scheme (closed 1987)

GSS Gold State Super (closed 1995)

WSS West State Super (open)

Public hospitals

Pension Scheme Superannuation and Family Benefits Scheme (closed 1987)

GSS Gold State Super (closed 1995)

WSS West State Super (open)

Schools

Pension Scheme Superannuation and Family Benefits Scheme (closed 1987)

GSS Gold State Super (closed 1995)

WSS West State Super (open)

- *At 30 June 1998:*

- *Gold State Super contained:*

- 3,096 police employees;*

- 5,496 public hospital employees; and*

- 9,904 school education employees.*

- *West State Super contained:*

- 4,058 police employees;*

- 13,083 public hospital employees; and*

- 26,053 school education employees.*

- *Pension scheme contained:*

- 91 police employees;*

- 107 public hospital employees; and*

- 254 school education employees.*

A6 Tasmania

Police

- RBF** Retirement Benefits Fund (open):
- Contributory scheme (open)

Public hospitals

- RBF** Retirement Benefits Fund (open)
- Contributory scheme (open)
 - Non-contributory scheme (open)

Schools

- RBF** Retirement Benefits Fund (open)
- Contributory scheme (open)
 - Non-contributory scheme (open)

- *At 30 June 1996 and 30 June 1997:*
 - *Retirement Benefits Fund contained all Tasmanian public service employees.*
 - *All police officers were members of the contributory scheme within the Retirement Benefits Fund.*
 - *At 30 June 1997, Retirement Benefits Fund comprised:*
 - 18 113 contributory scheme accounts (for permanent officers); and*
 - 23 638 non-contributory scheme accounts (for temporary/casual officers). These officers are able to elect to join the contributory scheme after being employed for a two year period.*
- Note that some double counting may occur because it is possible that one person may have more than one account.*

A7 Northern Territory

Police

CSS	Commonwealth Superannuation Scheme (closed 1988)
PSBS	Police Supplementary Benefit Scheme (closed 1988)
NTGPASS	NT Government and Public Authorities Superannuation Scheme (open)
NTSSS	NT Supplementary Superannuation Scheme (open)

Public hospitals

CSS	Commonwealth Superannuation Scheme (closed 1986)
NTGPASS	NT Government and Public Authorities Superannuation Scheme (open)
NTSSS	NT Supplementary Superannuation Scheme (open)

Schools

CSS	Commonwealth Superannuation Scheme (closed 1986)
NTGPASS	NT Government and Public Authorities Superannuation Scheme (open)
NTSSS	NT Supplementary Superannuation Scheme (open)

- *At 30 June 1997:*
 - *Commonwealth Superannuation Scheme:*
contained 378 NT police employees (included fire and emergency and administration staff).
 - *All Police Supplementary Benefit Scheme members were members of the CSS.*
 - *NT Government and Public Authorities Superannuation Scheme:*
contained 787 NT police employees (included fire and emergency and administration staff).
 - *NT Supplementary Superannuation Scheme:*
contained 82 NT police employees (included fire and emergency and administration staff).

- *At 30 June 1996:*
 - *Commonwealth Superannuation Scheme:*
 - contained 1051 NT health employees (included administration and other health staff); and*
 - contained 737 NT government school education employees.*
 - *NT Government and Public Authorities Superannuation Scheme:*
 - contained 5566 NT health employees (included administration and other health staff); and*
 - contained 2786 NT government school education employees.*
 - *NT Supplementary Superannuation Scheme:*
 - contained 1760 NT health employees (included administration and other health staff); and*
 - contained 407 NT government school education employees.*

A8 Australian Capital Territory

Police

CSS Commonwealth Superannuation Scheme (closed 1990)

PSS Public Service Superannuation Scheme (open)

Public hospitals

CSS Commonwealth Superannuation Scheme (closed 1990)

PSS Public Service Superannuation Scheme (open)

Schools

CSS Commonwealth Superannuation Scheme (closed 1990)

PSS Public Service Superannuation Scheme (open)

- *At 30 June 1995:*
 - *Commonwealth Superannuation Scheme:*
 - contained 1,358 ACT public hospital employees; and*
 - contained 2,435 ACT government school education employees.*
 - *Public Service Superannuation Scheme:*
 - contained 3,077 ACT public hospital employees; and*
 - contained 2,109 ACT government school education employees.*

A9 Commonwealth

CSS Commonwealth Superannuation Scheme (closed 1990)

PSS Public Service Superannuation Scheme (open)

AGEST Australian Government Employees Superannuation Trust (open)

REFERENCES

AARF (Australian Accounting Research Foundation) 1993, *Australian Accounting Standard AAS25 for Financial Reporting by Superannuation Plans*, Melbourne.

— 1996, *Australian Accounting Standard AAS29 for Financial Reporting by Government Departments*, Melbourne.

AIHW (Australian Institute of Health and Welfare) 1996, *Australia's Health 1996*, AGPS, Canberra.

— 1997, *Australia's Welfare 1997: Services and Assistance*, AGPS, Canberra.

ASFA (Association of Superannuation Funds Australia Limited) 1997, *The Dictionary of Superannuation*, Wrightbooks, Melbourne.

SCRCSSP (Steering Committee for the Review of Commonwealth/State Service Provision) 1998, *Report on Government Services 1998*, AGPS, Canberra.

Secretariat, Court Administration Working Group 1998, *Data Collection Manual: Court Administration*, Productivity Commission, Melbourne.

Victorian Department of Treasury and Finance 1997, *A Guide to Implementing Competitively Neutral Pricing Principles*, Victorian Government, Melbourne.

Accrued superannuation cost
Accumulation superannuation scheme
Commonwealth State service provision
Defined benefit superannuation scheme
Defined contribution superannuation scheme
Emerging superannuation cost
Employer superannuation contribution
Government service provision
Government services cost
Government superannuation
Health superannuation cost
Police superannuation cost
Public hospitals superannuation cost
Public sector superannuation schemes
Report on Government Services
School education superannuation cost