



**ACT**  
Government

Chief Minister, Treasury and  
Economic Development

Mr Michael Willcock  
Secretary  
Commonwealth Grants Commission  
Phoenix House  
First Floor  
86-88 Northbourne Avenue  
BRADDON ACT 2612

Dear Secretary

I am writing to provide you with the ACT Submission titled *"Submission to the Commonwealth Grants Commission on the Public Sector Superannuation Scheme – 2018 Update"*.

As you will recall, the Commonwealth Grants Commission (Commission) Staff Discussion Paper CGC 2017-20-S, titled *"New Issues for the 2018 Update"* (New Issues Paper), identified disability adjustments for the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS) as a topic for discussion as part of the development of the *Report on GST Revenue Sharing Relativities 2018 Update* (2018 Update).

This issue arose in the context of the ACT informing the Commission of its intent to pursue an expansion of the CSS disability adjustment for the Commission's assessment of the State and Territory (State) Goods and Services Tax (GST) relativities to include an adjustment for the PSS. As the New Issues Paper notes, the Commission had previously considered an adjustment for the PSS during the development of the *Report on State Revenue Sharing Relativities 2004 Review* (2004 Review).

The essence of the ACT's new claim is to challenge the premise of the past decision by the Commission in the 2004 Review on two key points, namely:

- The PSS imposes no additional assessable costs to the ACT Government relative to other jurisdictions; and
- The PSS did not constitute a disability outside of the ACT Government's control.

These new claims are supported with new data and clarifications of previously argued impediments imposed on the ACT Government which effectively removed policy choice at the time about its employees' ability to continue to access the PSS.

The ACT further contends that the proposal is within the scope of what is permitted in the agreed protocol for an Update. The Commission is specifically requested to expand the CSS adjustment to include the PSS as part of the 2018 Update, as the adjustment would maintain the methodology for calculating the CSS disability and the inclusion of the PSS would be the consequence of the availability and analysis of new data on the cost of the PSS to the ACT.

The ACT would welcome engagement with the Commission staff on any aspect of the attached submission. The initial point of contact is Mr Douglas Miller, Senior Manager, (02 62054079) or Mr Sean Heavey, Policy Analyst, (02 62078953), both in Federal Financial Relations (Treasury).

Given the limited timeframe available to all jurisdictions to complete their respective submissions on the New Issues Paper (due date 13 October 2017), I have copied this submission to all other jurisdictions following consultation with the Commission staff.

Yours sincerely



David Nicol  
Under Treasurer

9 October 2017