Parliament of Australia

Parliamentary Budget Office

Phil Bowen PSM FCPA
Parliamentary Budget Officer

Senator Christine Milne
Leader of the Australian Greens
Parliament House
CANBERRA ACT 2600

Dear Senator Milne

Please find attached a response to your costing request, *Fairer public servant superannuation indexation* (letter of 20 August 2013).

The response to this request will be released on the PBO website (www.aph.gov.au/pbo).

If you have any queries about this costing, please do not hesitate to contact Colin Brown on (02) 6277 9530.

Yours sincerely

Phil Bowen

22 August 2013

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COSTING – ELECTION CARETAKER PERIOD

Name of proposal to be costed:	Fairer public servant superannuation indexation
Summary of proposal:	The proposal would provide a capped amount of $2 million to the Australian Bureau of Statistics (ABS) to develop a fairer indexation method for Commonwealth public servant superannuation pension recipients. The proposal will have effect from 1 January 2014.
Person/party requesting costing:	Senator Christine Milne, Australian Greens
Date costing request received:	20 August 2013
Date costing completed:	22 August 2013
Date of public release of policy:	14 August 2013
Agencies from which information was obtained:	Not applicable

Costing overview

This proposal is expected to decrease both the underlying cash and fiscal balances by $2 million over the 2013-14 Budget forward estimates period. This is entirely due to an increase to expenses.

Departmental expenses associated with this proposal are incorporated into the capped amount.

This costing is considered to be of high reliability as it is based on the capped amount and profile as specified in the costing request.

Table 1: Financial implications (outturn prices)[a]

Impact on	2013-14	2014-15	2015-16	2016-17
Underlying cash balance ($m)	-2	-	-	-
Fiscal balance ($m)	-2	-	-	-

(a) A negative number for the fiscal balance indicates an increase in expenses in accrual terms. A negative number for the underlying cash balance indicates increase in expenses in cash terms.