

Katherine Iddles

From: Benjamin Donovan [REDACTED]
Sent: Tuesday, 24 January 2017 4:58 PM
To: Katherine Iddles; Adam Pennicott; Geraldine Cavallo; George Hasanakos; Khiraan Kumar; Kim Lory; Scott Forbes; Lindsay Marshall
Subject: FW: Treasurer update meeting papers 25th Jan - attached in pdf.
Attachments: Treasurer's update meeting papers - 25 Jan 2017.pdf

Please find attached Treasurer's update meeting agenda.

Note: typo re day of meeting in attachment has been fixed in the hard copies provided to CoS and the Treasurer.

Cheers,
Ben J Donovan
A/DLO
Queensland Treasury
Level 38, 1 William Street, Brisbane City
Phone: 3035 3505 (dial full number)
Email: [REDACTED]
Web: www.treasury.qld.gov.au



**Queensland
Government**

From: Amanda Traill
Sent: Tuesday, 24 January 2017 4:46 PM
To: Benjamin Donovan
Subject: FW: Treasurer update meeting papers 25th Jan - attached in pdf.

Ben – I did cc you.

Kind regards,
Amanda

Amanda Traill
A/Executive Officer to Mary-Anne Curtis and Dennis Molloy
Deputy Under Treasurer
Queensland Treasury
Level 38, 1 William Street, Brisbane
Phone: (07) 3035 1926
Mobile: [REDACTED]
Email: [REDACTED]
Web: www.treasury.qld.gov.au



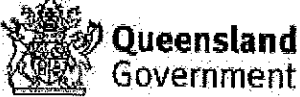
**Queensland
Government**

From: Amanda Traill
Sent: Tuesday, 24 January 2017 3:52 PM

To: ELT; Mary-Anne Wilson
Cc: Benjamin Donovan
Subject: Treasurer update meeting papers 25th Jan - attached in pdf.

Kind regards,
Amanda

Amanda Traill
A/Executive Officer to Mary-Anne Curtis and Dennis Molloy
Deputy Under Treasurer
Queensland Treasury
Level 38, 1 William Street, Brisbane
Phone: (07) 3035 1926
Mobile: Contrary to public interest
Email: [Redacted]
Web: www.treasury.qld.gov.au



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TREASURER'S UPDATE MEETING

AGENDA

Tuesday, 25 January 2017

Treasurer's Conference Room, L38, 1 William Street

10:15 AM – 11:15 AM

1. CABINET / CBRC Issues (Mary-Anne Wilson)

Sch.3(2)(1)(b) - Cabinet matter

2. Upcoming Events, Releases or Key Decisions

Statistical releases:

- 18 January 2017 Sensis Business Index reporting on Q4: October – December 2016
- 18 January ABS Building Activity, Australia, September 2016
- 18 January ABS Engineering Construction Activity, Australia, September 2016
- 19 January ABS Labour Force, Australia, December 2016
- 19 January ABS Employee Earnings and Hours, Australia, May 2016
- 23 January ABS Lending Finance, November 2016
- 24 January ABS Regional Labour Force and Youth Unemployment by SA4, December 2016
- 25 January ABS Consumer Price Index, Australia, December 2016
- 27 January ABS Producer Price Indexes, Australia, December 2016
- 27 January ABS International Trade Indexes, Australia, December 2016

Events & Media

- CommSec State of the States 23 January
- Deloitte Access Economics Business Outlook 30 January
- NAB Monthly Business Survey 31 January
- Business Development Fund:
 - Go1 TBC
 - Water and Carbon Group TBC

3. 2017-18 Budget Strategy (Dennis Molloy)

4. Sch.3(2)(1)(b) - Cabinet matter

5. Significant Policy Matters for Future Cabinet Consideration

Issue	Est. Consideration
Sch.3(2)(1)(b) - Cabinet matter	

Pages 4 through 26 redacted for the following reasons:

Sch.3(2)(1)(b) - Cabinet matter

RTI RELEASE

BRIEFING NOTE

FROM	Treasury		
FOR	Treasurer Minister for Trade and Investment		
SUBJECT	Actuarial Investigation of QSuper as at 30 June 2016		
Contact Officer	Geoff Waite, Government Superannuation Officer, (07) 3035 3537	Reference No.	01543-2017
Approved by	AUT	Approved by	DUT

PURPOSE

- The purpose of this briefing note is to inform you of the results of the Actuarial Investigation of the State Public Sector Superannuation Scheme (QSuper) as at 30 June 2016.

BACKGROUND

- The State Actuary, Mr Wayne Cannon, has completed the valuation of QSuper as at 30 June 2016, which was noted by the QSuper Board at its April meeting. As required under the *Superannuation (State Public Sector) Deed 1990* (QSuper Deed), a copy of the report is provided to you (attached). I have previously requested that the valuation be undertaken on an annual basis and this valuation follows the previous Actuarial valuation as at 30 June 2015.

ISSUES

- The report considers all Accumulation and Defined Benefit (DB) categories and the reserves held by Queensland Treasury (Employer Fund). As with previous reviews, the State Actuary has considered two funding methodologies. The 'funding basis' method uses anticipated future investment returns (discount rate of 5.0 per cent), whilst the 'accounting basis' method adopts a risk free approach in accordance with accounting standard AASB 119 (including a discount rate of 2.0 per cent), as applied within the Queensland Government's financial statements. The key findings of the report are as follows:
 - On a funding basis, QSuper had an accrued surplus of \$9.15 billion as at 30 June 2016 down from \$10.05 billion at the 2015 investigation. The reduction is primarily the result of lower than expected investment returns over 2015-16 and changes in the valuation basis at this review, principally a reduction in the expected long term earnings rate. When including the expected cost of future service accruals, which exceeds the value of future employer contributions by \$2.98 billion), the surplus reduces to \$6.17 billion.
 - On an accounting basis, QSuper has an accrued surplus of \$2.07 billion. The expected cost of future service accruals exceeds the value of future employer contributions by \$5.15 billion, leading to a deficit of \$3.08 billion. Considering the strong position on a funding basis, this is not problematic and compares extremely favourably with other Australian Governments.
 - The key assumption changes for this investigation were the expected long term earning rate decreasing to 5.0 per cent per annum (from 6.0 per cent) and a reduction in expected salary growth to 2.6 per cent (from 3.20 per cent).
 - Membership of the Standard DB category continues to reduce (from 48,615 to 46,368) and only 520 active members remain in the old State and Police lifetime pension categories.
- The Government's fiscal principle is to fully fund employee entitlement liabilities, with overfunding of the DB scheme to be minimised and its funding managed in accordance with the spirit of the APRA funding and solvency standards applying to corporate defined benefit schemes.

5. Consistent with this framework, Mr Cannon recommends a Vested Benefit Index (VBI – ratio of assets over vested benefits) shortfall limit of 90% and a target surplus buffer of 120%, with a VBI below 90% requiring additional funding injections and a VBI above 120% triggering an assessment of the merit of further surplus repatriation. The VBI, as at 30 June 2016 was 125.1% but projections show it is expected to fall below the target buffer of 120% by 2020, before resuming an increasing trend. Accordingly, Mr Cannon recommends that the existing funding management initiatives (i.e. the previously announced repatriation of \$4 billion and suspension of employer contribution investment) should proceed as planned.
6. ASIC Regulatory Guide 252 requires publication of the actuarial report on QSuper's website within 20 business days of the QSuper Board receiving it (i.e. by 4 May 2017).
7. In preparation for the next sitting of parliament, a PPQ on this issue is attached.
8. The next Actuarial Investigation will be undertaken as at 30 June 2017 and must be obtained by the Board by 31 December 2017. The relevant APRA Prudential Standard requires that actuarial investigations undertaken after 30 June 2016 must be reported to the Board within six months of the valuation date.

RECOMMENDATION

9. That you note the Actuarial Investigation of QSuper as at 30 June 2016.

Jim Murphy
Under Treasurer / /

<input type="checkbox"/> Approved	<input type="checkbox"/> Not approved	<input type="checkbox"/> Noted
Comments		
_____ HON. CURTIS PITT MP Treasurer Minister for Trade and Investment		
/ /		

Katherine Iddles

From: Jonathan Scott [redacted]
Sent: Tuesday, 21 March 2017 12:33 PM
To: Geraldine Cavallo; Katherine Iddles; Kerrie Kahlon
Cc: Alison Peattie
Subject: Sch.3(2)(1)(b) - Cabinet matter
Attachments: [redacted]

Hi Geraldine/Katherine/Kerrie

Here is a brief updating on progress of the [redacted] I can't remember who was dealing with that... I think it was Louise actually.

Anyway the hard copy is on the standing desk I think (Alison might be able to locate it if not).

Feel free to grab it – if you could let Alison know who takes it we can then track it in the system!

Cheers

Jon

Jonathan Scott

Departmental Liaison Officer

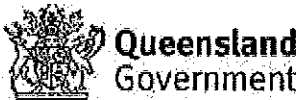
Queensland Treasury

Level 38. 1WS

Phone: 30353505 | [redacted] Contrary to public inter

Email: [redacted]

Web: www.treasury.qld.gov.au



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Page 30 redacted for the following reason:

Sch.3(2)(1)(b) - Cabinet matter

RTI RELEASE

George Hasanakos

From: Jason Humphreys
Sent: Sunday, 23 April 2017 3:15 PM
To: Curtis Pitt
Cc: Lindsay Marshall; Scott Forbes; Adam Pennicott; George Hasanakos
Subject: Fwd: QSuper Actuarial Valuation Report as at 30 June 2016
Attachments: QSuper 2016 Valuation Report.pdf; ATT00001.htm

The Actuary's report into the DB scheme will go to the QSuper Board on 27 April and will then be available online soon after that.

We will need to get ready for it's release asap.

Jason

From: Wayne Cannon
Sent: Friday, 31 March 2017 3:03 PM
To: Jim Murphy
Cc: Dennis Molloy
Subject: FW: QSuper Actuarial Valuation Report as at 30 June 2016

Jim, please find below the formal submission of the actuarial valuation report to QSuper.

As discussed, please forward to the Treasurer at your convenience. QSuper will publish the Report on their website within 20 business days, in accordance with the relevant ASIC requirements.

Please let me know if you would like to discuss the Report.

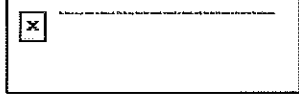
Kind regards,
Wayne

Wayne Cannon
State Actuary
State Actuary's Office

Queensland Treasury
Level 26, 1 William Street
Phone: + 61 7 3035 6300
Mobile: Contrary to public interest

Email:

Web: www.treasury.qld.gov.au



From: Wayne Cannon
Sent: Friday, 31 March 2017 2:59 PM
To: Michael Pennisi
Cc: Lyn Melcer; Geoff Waite
Subject: QSuper Actuarial Valuation Report as at 30 June 2016

Michael, I am pleased to provide my Report of the actuarial valuation of QSuper as at 30 June 2016.

This valuation is the first to be undertaken on an annual cycle, in order to provide the most accurate and up to date picture of the scheme prior to the 2017-18 State Budget.

The Report reveals that the DB scheme within QSuper remains in a very strong funding position and I have recommended that no change be made to the existing funding measures, as follows:

- The suspension of employer contribution investment for five years from 30 June 2015;
- The repatriation of \$4 billion over the four years subsequent to 30 June 2016; and
- The State meeting 95% of defined benefit payments, as part of the “last minute” funding arrangements.

As always, the content of the Report has been enhanced by the contribution of QSuper staff, in particular Ms Lyn Melcer, Mr Rogier Heijins, Mr Steven Page and Mr Robbie Laurence.

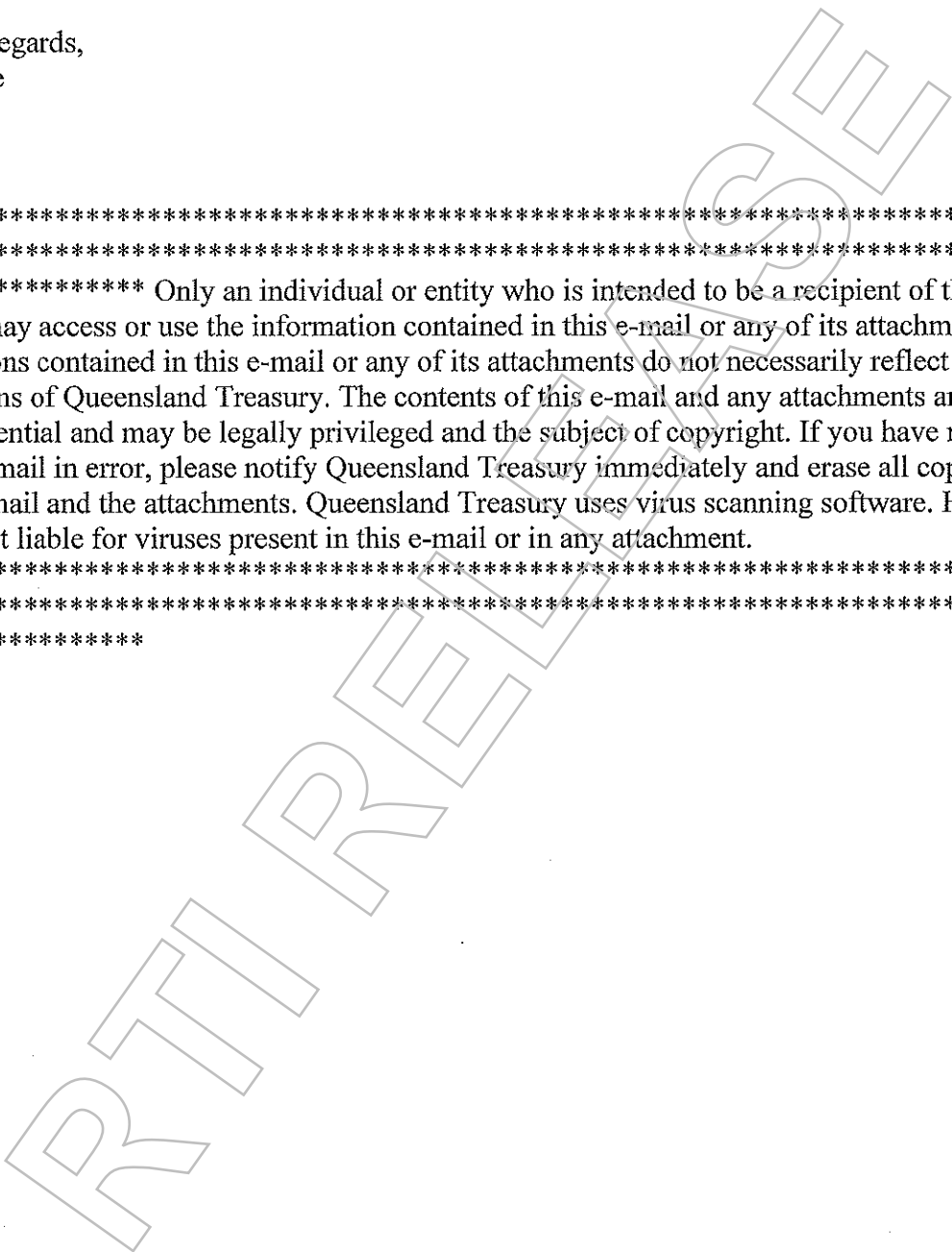
In past years I have also presented the results to the QSuper Trustees at the next convenient Board meeting and would be pleased to do so again.

I understand that QSuper will publish the Report on its website in accordance with the requirements of ASIC. I am also providing the Report to the Under-Treasurer and Treasurer today and he may table the Report in Parliament or otherwise make public comment on it at his discretion.

Please do not hesitate to contact me if you have any questions regarding the Report.

Kind regards,
Wayne

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Pages 34 through 42 redacted for the following reasons:

Sch.3(6)(c)(i) - Infringe privileges of Parliament

RTI RELEASE

Lindsay Marshall

From: Lindsay Marshall
Sent: Thursday, 28 April 2016 7:26 PM
To: Jason Humphreys; Lachlan Smith
Subject: Sch.3(6)(c)(i) - Infringe privileges of Parliament
Attachments: [Redacted]

Attached is a draft HIB [Redacted] Sch.3(6)(c)(i) - Infringe privileges of Parliament

[Redacted] Sch.3(6)(c)(i) - Infringe privileges of Parliament

Lindsay Marshall

Principal Media Advisor

Office of the Hon. Curtis Pitt MP

Treasurer, Minister for Aboriginal and Torres Strait
Islander Partnerships, Minister for Sport



P 07 3719 7200 | M [Redacted] Contrary to pub [Redacted] Email: [Redacted]
GPO Box 611 Brisbane QLD 4001

Queensland
Government

RTI RELEASE

Lindsay Marshall

From: Lindsay Marshall
Sent: Friday, 29 April 2016 11:25 AM
To: Lachlan Smith; Jason Humphreys
Subject: Sch.3(6)(c)(i) - Infringe privileges of Parliament
Attachments: [Redacted]

Lachlan's changes made.

Sch.3(6)(c)(i) - Infringe privileges of Parliament
[Redacted]

LM

Lindsay Marshall

Principal Media Advisor

Office of the Hon. Curtis Pitt MP

Treasurer, Minister for Aboriginal and Torres Strait
Islander Partnerships, Minister for Sport



P 07 3719 7200 | M [Redacted] | Email: [Redacted]
GPO Box 611 Brisbane QLD 4001

Queensland
Government

From: Lachlan Smith

Sent: Thursday, 28 April 2016 9:29 PM

To: Lindsay Marshall [Redacted] Jason Humphreys [Redacted]

Subject: RE: Sch.3(6)(c)(i) - Infringe privileg [Redacted]

Looks good.

Two points Treasurer will want to make are:

Sch.3(6)(c)(i) - Infringe privileges of Parliament
[Redacted]

L

From: Lindsay Marshall

Sent: Thursday, 28 April 2016 7:26 PM

To: Jason Humphreys [Redacted] Lachlan Smith [Redacted]

Subject: Sch.3(6)(c)(i) - Infringe privile [Redacted]

Attached is a draft HIB Sch.3(6)(c)(i) - Infringe privileges of Parliament

Sch.3(6)(c)(i) - Infringe privileges of Parliament
[Redacted]

Lindsay Marshall

Principal Media Advisor

Office of the Hon. Curtis Pitt MP

Treasurer, Minister for Aboriginal and Torres Strait
Islander Partnerships, Minister for Sport



P 07 3719 7200 | M [Redacted] | Email: [Redacted]
GPO Box 611 Brisbane QLD 4001

Queensland
Government

Adam Pennicott

From: Jason Humphreys
Sent: Saturday, 29 April 2017 12:00 PM
To: Curtis Pitt
Cc: Lindsay Marshall; Scott Forbes; Adam Pennicott; George Hasanakos
Subject: State Actuary's Report on the Defined Benefit Scheme
Attachments: Sch.3(6)(c)(i) - Infringe privileges of Parliament

Hi

QSuper will be **putting the report up on their website on 4 May. I will also forward a copy of the report.**

PPQ attached. Obvious questions will be raised re raiding the scheme, etc.

All defensible -

Sch.3(6)(c)(i) - Infringe privileges of Parliament

I'll also forward to the Premier's office.

Jason

George Hasanakos

From: Jonathan Scott [redacted]
Sent: Wednesday, 3 May 2017 12:06 PM
To: Jason Humphreys
Cc: Lindsay Marshall; Scott Forbes; Adam Pennicott; George Hasanakos; Katherine Iddles; Kerrie Kahlon; Geraldine Cavallo; Kim Lory
Subject: QSuper DB Scheme - Actuarial Report for release tomorrow
Attachments: 015432017BRIEFTreasurerbriefingnote.docx;
 Sch.3(6)(c)(i) - Infringe privileges of Parliament [redacted]

Jason
 This brief is in your tray but as the Actuary's report is being published tomorrow here's an electronic copy plus a copy of the PPQ for next week.
 Cheers
 Jon

Jonathan Scott
Departmental Liaison Officer
 Queensland Treasury
 Level 38. 1WS
Phone: 30353505 | Contrary to public interest
Email: [redacted]
Web: www.treasury.qld.gov.au



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BRIEFING NOTE

FROM	Treasury		
FOR	Treasurer Minister for Trade and Investment		
SUBJECT	Actuarial Investigation of QSuper as at 30 June 2016		
Contact Officer	Geoff Waite, Government Superannuation Officer, (07) 3035 3537	Reference No.	01543-2017
Approved by	AUT	Approved by	DUT

PURPOSE

1. The purpose of this briefing note is to inform you of the results of the Actuarial Investigation of the State Public Sector Superannuation Scheme (QSuper) as at 30 June 2016.

BACKGROUND

2. The State Actuary, Mr Wayne Cannon, has completed the valuation of QSuper as at 30 June 2016, which was noted by the QSuper Board at its April meeting. As required under the *Superannuation (State Public Sector) Deed 1990* (QSuper Deed), a copy of the report is provided to you (attached). I have previously requested that the valuation be undertaken on an annual basis and this valuation follows the previous Actuarial valuation as at 30 June 2015.

ISSUES

3. The report considers all Accumulation and Defined Benefit (DB) categories and the reserves held by Queensland Treasury (Employer Fund). As with previous reviews, the State Actuary has considered two funding methodologies. The 'funding basis' method uses anticipated future investment returns (discount rate of 5.0 per cent), whilst the 'accounting basis' method adopts a risk free approach in accordance with accounting standard AASB 119 (including a discount rate of 2.0 per cent), as applied within the Queensland Government's financial statements. The key findings of the report are as follows:
 - On a funding basis, QSuper had an accrued surplus of \$9.15 billion as at 30 June 2016 down from \$10.05 billion at the 2015 investigation. The reduction is primarily the result of lower than expected investment returns over 2015-16 and changes in the valuation basis at this review, principally a reduction in the expected long term earnings rate. When including the expected cost of future service accruals, which exceeds the value of future employer contributions by \$2.98 billion), the surplus reduces to \$6.17 billion.
 - On an accounting basis, QSuper has an accrued surplus of \$2.07 billion. The expected cost of future service accruals exceeds the value of future employer contributions by \$5.15 billion, leading to a deficit of \$3.08 billion. Considering the strong position on a funding basis, this is not problematic and compares extremely favourably with other Australian Governments.
 - The key assumption changes for this investigation were the expected long term earning rate decreasing to 5.0 per cent per annum (from 6.0 per cent) and a reduction in expected salary growth to 2.6 per cent (from 3.20 per cent).
 - Membership of the Standard DB category continues to reduce (from 48,615 to 46,368) and only 520 active members remain in the old State and Police lifetime pension categories.
4. The Government's fiscal principle is to fully fund employee entitlement liabilities, with overfunding of the DB scheme to be minimised and its funding managed in accordance with the spirit of the APRA funding and solvency standards applying to corporate defined benefit schemes.

5. Consistent with this framework, Mr Cannon recommends a Vested Benefit Index (VBI – ratio of assets over vested benefits) shortfall limit of 90% and a target surplus buffer of 120%, with a VBI below 90% requiring additional funding injections and a VBI above 120% triggering an assessment of the merit of further surplus repatriation. The VBI, as at 30 June 2016 was 125.1% but projections show it is expected to fall below the target buffer of 120% by 2020, before resuming an increasing trend. Accordingly, Mr Cannon recommends that the existing funding management initiatives (i.e. the previously announced repatriation of \$4 billion and suspension of employer contribution investment) should proceed as planned.
6. ASIC Regulatory Guide 252 requires publication of the actuarial report on QSuper's website within 20 business days of the QSuper Board receiving it (i.e. by 4 May 2017).
7. In preparation for the next sitting of parliament, a PPQ on this issue is attached.
8. The next Actuarial Investigation will be undertaken as at 30 June 2017 and must be obtained by the Board by 31 December 2017. The relevant APRA Prudential Standard requires that actuarial investigations undertaken after 30 June 2016 must be reported to the Board within six months of the valuation date.

RECOMMENDATION

9. That you note the Actuarial Investigation of QSuper as at 30 June 2016.

Jim Murphy
Under Treasurer / /

<input type="checkbox"/> Approved	<input type="checkbox"/> Not approved	<input type="checkbox"/> Noted
Comments		
_____ HON. CURTIS PITT MP Treasurer Minister for Trade and Investment		
/ /		

Pages 49 through 53 redacted for the following reasons:

Sch.3(6)(c)(i) - Infringe privileges of Parliament

RTI RELEASE

Adam Pennicott

From: Dennis Molloy [redacted]
Sent: Thursday, 4 May 2017 10:25 AM
To: Jason Humphreys
Cc: Adam Pennicott; Geoff Waite
Subject: Fwd: Actuaries Report on DB

FYI unless you've got a different time in mind.

Sent from my iP
Begin forwarded message:

From: Lyn Melcer [redacted]
Date: 4 May 2017 at 9:00:49 AM AEST
To: Dennis Molloy [redacted]
Cc: Rogier Heijens [redacted]; "geoff.waite" [redacted]

[redacted] wendy.whitten [redacted]

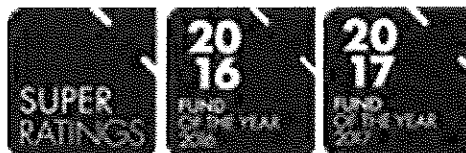
Subject: RE: Actuaries Report on DB

Hi Dennis

QSuper is ready to release the Actuary's report – it will be put on the website at around 12 o'clock. Please let me know if you have any concerns with that – I thought lunchtime gives you a chance to do anything you need to do at your end this morning.

Regards,

Lyn Melcer
Head of Technical Learning and Advice
People & Transformation
QSuper
Direct 07 3239 1691
Mobile: [redacted] Contrary to public interest
[redacted]



From: Dennis Molloy [redacted]
Sent: Friday, 28 April 2017 6:56 PM
To: Lyn Melcer
Cc: Rogier Heijens
Subject: RE: Actuaries Report on DB

Thanks Lyn we are getting ready.

Regards

Dennis

From: Lyn Melcer [redacted]
Sent: Friday, 28 April 2017 5:04 PM
To: Dennis Molloy
Cc: Rogier Heijens
Subject: FW: Actuaries Report on DB

Hello Dennis

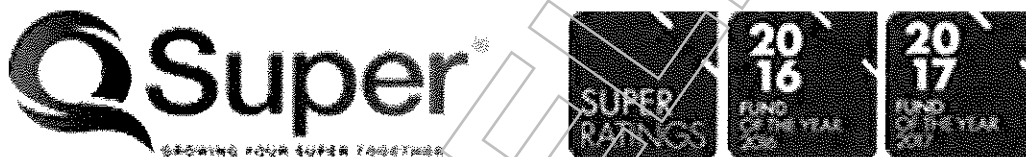
I hope you are well.

Just to keep you in the loop. The Board approved the Actuary's report yesterday and we have submitted a BN for the Treasurer through workflow (via Geoff of course) and provided a copy of the report.

QSuper plans to release the report onto its website on 4 May.

Regards,

Lyn Melcer
Head of Technical Learning and Advice
People & Transformation
QSuper
Direct 07 3239 1691
Mobile: [redacted] Contrary to public interest
[redacted]



From: Lyn Melcer
Sent: Friday, 7 April 2017 7:19 PM
To: Dennis Molloy
Subject: Re: Actuaries Report on DB

Hi Dennis. I'm on leave for a couple of days and will call you next week. I can tell you it won't be before 27 April which is the Board Meeting date it is being considered. We'll be using the full 20 business days so will let you know the date. Lyn

Sent from my iPhone

On 7 Apr 2017, at 6:47 pm, Dennis Molloy [redacted] wrote:

Hi Lyn, can you give me a call on the timing of the release for this.

I'm keen to ensure we get forewarning.

Regards

Dennis Molloy
A/g Deputy Under Treasurer – Economics and Fiscal
Queensland Treasury

(07) 3035 1988

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Scott Forbes

From: Scott Forbes
Sent: Friday, 5 May 2017 10:03 AM
To: Stuart Layt
Cc: Lindsay Marshall
Subject: State Actuary Report

I'll give you a call...

Actuary's review highlights strength of defined benefit scheme

A review of the state's defined benefit scheme by the State Actuary has concluded the repatriation of excess employer contributions should continue.

In the 2016-17 State Budget Treasurer Curtis Pitt announced plans to return a portion of the scheme's surplus to taxpayers by using \$2 billion of the over-contributions for job-creating infrastructure projects and a further \$2 billion to pay down debt over the forward estimates.

"The State Actuary's review found the scheme remains in a very strong position, with Queensland unique among Australian jurisdictions in fully funding our defined benefit scheme — the same as all other state super liabilities," Mr Pitt said.

"The review found the repatriation of a portion of the surplus should continue as well as the five-year suspension of employer contributions outlined in the 2015 State Budget.

"The State Actuary found the defined benefit scheme was in 'a very healthy position' even allowing for the conservative assessment of future expected investment returns used in the review."

Mr Pitt said it was important to remember when considering the repatriation of a portion of the surplus funds that — as the State Actuary and QSuper itself — have previously pointed out, the surplus was not members' funds but excess contributions by the government as employer.

"The surplus belongs to taxpayers and it is appropriate to make better use of such surplus capital to generate jobs and pay down debt given the strong position of the scheme, the fully funded nature of Queensland's public sector super, and the legislative guarantee of payouts," Mr Pitt said.

"The LNP will once again claim there is a 'raid' on members' super, which just shows how little they know of how the scheme works — even former Treasurer Tim Nicholls is too lazy to acknowledge the facts and prefers untruthful scaremongering.

"The LNP's baseless claims also highlight the fact they need to tell Queenslanders how they would fill the \$4 billion budget black hole created by their rejection of the repatriation of surplus funds for job-generating infrastructure and debt pay-down.

"If they continue to reject the better use of these taxpayer-owned funds, they should declare what jobs they will cut, what frontline services they will scrap, and what assets they will sell to fill their budget black hole."

The State Actuary's review found:

- the repatriation of a portion of the surplus should continue as well as the five-year suspension of employer contributions outlined in the 2015 State Budget
- the defined benefit scheme was in "a very healthy position" even allowing for the conservative assessment of future expected investment returns used in the review
- the excess contributions by the government as employer had resulted in a surplus of \$9.15 billion at 30 June 2016 on a funding basis

- that compared with a surplus of \$10.06 billion at 30 June 2015 with the difference attributed to lower investment returns, and a change in the actuarial valuation basis.
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- the overall funding position is expected to be broadly maintained from the “already strong position” shown in the review
- even on the stricter accounting basis there was a surplus of \$2.07 billion although there was “no requirement or practice to fund DB schemes to the levels indicated by the accounting basis”

The review noted the government’s fiscal principle to fully fund its super liabilities and that over-funding of the scheme should be minimised and funding should be managed in the spirit of APRA funding and solvency standards applying to corporate DB schemes.

The review was the first annual examination of the scheme by the State Actuary and the first undertaken in accordance with the APRA funding and solvency framework in line with the new fiscal principle.

Consistent with an APRA framework, the State Actuary recommended a shortfall limit of 90 per cent and a target surplus buffer of 120 per cent of vested benefits for the scheme to manage risks associated with annual or short-term market return fluctuations.

The review identified a 1-in-3 chance that the VBI would fall below 100 per cent in 2020 — the end of the suspension of employers contributions — meaning the scheme was more likely to remain within the target levels than not.

The projected VBI is expected to remain well within these trigger points over the Budget horizon and no requirement to provide a contribution or a trigger for further repatriations has been identified.

By increasing the frequency of actuarial investigations to once a year the government will strengthen governance around the scheme.

Any recommendations by State Actuary reviews will be taken into account in each State Budget.

Media contacts 0447 316 432 / 0419 945 546

Scott Forbes

Senior Media Advisor

Office of the Hon. Curtis Pitt MP



**Queensland
Government**

Treasurer of Queensland
Minister for Trade and Investment

P 07 3719 7213 | Mob 0419 945 546 | Email: [REDACTED]
1 William Street Brisbane QLD 4000
GPO Box 611 Brisbane QLD 4001

Lindsay Marshall

From: Scott Forbes
Sent: Friday, 5 May 2017 11:32 AM
To: Lindsay Marshall
Subject: RE: QSuper Actuarial Valuation Report as at 30 June 2016

Thanks!!!

From: Lindsay Marshall
Sent: Friday, 5 May 2017 11:32 AM
To: Scott Forbes [REDACTED]
Subject: Fwd: QSuper Actuarial Valuation Report as at 30 June 2016

Sent from my iPhone

Begin forwarded message:

From: "Jason Humphreys" [REDACTED]
To: "Curtis Pitt" [REDACTED]
Cc: "Lindsay Marshall" [REDACTED] "Scott Forbes" [REDACTED] "Adam Pennicott" [REDACTED] "George Hasanakos" [REDACTED]
Subject: Fwd: QSuper Actuarial Valuation Report as at 30 June 2016

The Actuary's report into the DB scheme will go to the QSuper Board on 27 April and will then be available online soon after that.

We will need to get ready for it's release asap.

Jason

From: Wayne Cannon
Sent: Friday, 31 March 2017 3:03 PM
To: Jim Murphy
Cc: Dennis Molloy
Subject: FW: QSuper Actuarial Valuation Report as at 30 June 2016

Jim, please find below the formal submission of the actuarial valuation report to QSuper.

As discussed, please forward to the Treasurer at your convenience. QSuper will publish the Report on their website within 20 business days, in accordance with the relevant ASIC requirements.

Please let me know if you would like to discuss the Report.

Kind regards,
Wayne

Wayne Cannon
State Actuary
State Actuary's Office

Queensland Treasury
Level 26, 1 William Street
Phone: + 61 7 3035 6300
Mobile: Contrary to public interest [REDACTED]
Email: [REDACTED]
Web: www.treasury.qld.gov.au



From: Wayne Cannon
Sent: Friday, 31 March 2017 2:59 PM
To: Michael Pennisi
Cc: Lyn Melcer; Geoff Waite
Subject: QSuper Actuarial Valuation Report as at 30 June 2016

Michael, I am pleased to provide my Report of the actuarial valuation of QSuper as at 30 June 2016.

This valuation is the first to be undertaken on an annual cycle, in order to provide the most accurate and up to date picture of the scheme prior to the 2017-18 State Budget.

The Report reveals that the DB scheme within QSuper remains in a very strong funding position and I have recommended that no change be made to the existing funding measures, as follows:

- The suspension of employer contribution investment for five years from 30 June 2015;
- The repatriation of \$4 billion over the four years subsequent to 30 June 2016; and
- The State meeting 95% of defined benefit payments, as part of the “last minute” funding arrangements.

As always, the content of the Report has been enhanced by the contribution of QSuper staff, in particular Ms Lyn Melcer, Mr Rogier Heijins, Mr Steven Page and Mr Robbie Laurence.

In past years I have also presented the results to the QSuper Trustees at the next convenient Board meeting and would be pleased to do so again.

I understand that QSuper will publish the Report on its website in accordance with the requirements of ASIC. I am also providing the Report to the Under-Treasurer and Treasurer today and he may table the Report in Parliament or otherwise make public comment on it at his discretion.

Please do not hesitate to contact me if you have any questions regarding the Report.

Kind regards,
Wayne

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Scott Forbes

From: Scott Forbes
Sent: Friday, 5 May 2017 11:33 AM
To: Stuart Layt
Subject: QSuper Actuarial Valuation Report as at 30 June 2016
Attachments: QSuper 2016 Valuation Report.pdf

PDF Attached

Let me know once you get your story out and I'll put our release out afterwards

RTI RELEASE

Scott Forbes

From: Scott Forbes
Sent: Friday, 5 May 2017 11:59 AM
To: Nicole Quayle; Lindsay Marshall
Cc: Media
Subject: RE: QSuper Actuarial report

Legend! Thank you

(I contact QSuper and they're still looking for it)

From: Nicole Quayle [redacted]
Sent: Friday, 5 May 2017 11:52 AM
To: Scott Forbes [redacted] Lindsay Marshall
[redacted]
Cc: Media [redacted]
Subject: QSuper Actuarial report

Scott

Here is the link:

<https://qsuper.qld.gov.au/~media/PDFs/QSuper-public/Publications/Annual-report/actuarialreport2016.ashx?la=en>

Thanks
Nicole

Nicole Quayle
Communication Manager – Engagement
Strategic Communications
Office of the Under Treasurer
Queensland Treasury
Level 25, 1 William Street, Brisbane
Phone: (07) 3035 1800
Mobile: [redacted] Contrary to public interest
Email: [redacted]
Web: www.treasury.qld.gov.au



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RTI RELEASE

Scott Forbes

From: Scott Forbes
Sent: Friday, 5 May 2017 12:03 PM
To: Elks, Sarah
Subject: QSuper Actuarial report

Hey,

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Hope that helps,
-Scott

Scott Forbes

Senior Media Advisor

Office of the Hon. Curtis Pitt MP



Queensland
Government

Treasurer of Queensland
Minister for Trade and Investment

P 07 3719 7213 | Mob 0419 945 546 | Email: [REDACTED]
1 William Street Brisbane QLD 4000
GPO Box 611 Brisbane QLD 4001

Scott Forbes

From: Scott Forbes
Sent: Friday, 5 May 2017 12:13 PM
To: Vogler, Sarah
Cc: Lindsay Marshall
Subject: QSuper Actuarial report

Hey Sarah,

QSuper put this up yesterday, link below...

<https://qsuper.qld.gov.au/~media/PDFs/QSuper-public/Publications/Annual-report/actuarialreport2016.ashx?la=en>

(Finding it is difficult, admittedly)

We'll put a release out to draw people's attention to it...

Actuary's review highlights strength of defined benefit scheme

A review of the state's defined benefit scheme by the State Actuary has concluded the repatriation of excess employer contributions should continue.

In the 2016-17 State Budget Treasurer Curtis Pitt announced plans to return a portion of the scheme's surplus to taxpayers by using \$2 billion of the over-contributions for job-creating infrastructure projects and a further \$2 billion to pay down debt over the forward estimates.

"The State Actuary's review found the scheme remains in a very strong position, with Queensland unique among Australian jurisdictions in fully funding our defined benefit scheme — the same as all other state super liabilities," Mr Pitt said.

"The review found the repatriation of a portion of the surplus should continue as well as the five-year suspension of employer contributions outlined in the 2015 State Budget.

"The State Actuary found the defined benefit scheme was in 'a very healthy position' even allowing for the conservative assessment of future expected investment returns used in the review."

Mr Pitt said it was important to remember when considering the repatriation of a portion of the surplus funds that — as the State Actuary and QSuper itself — have previously pointed out, the surplus was not members' funds but excess contributions by the government as employer.

"The surplus belongs to taxpayers and it is appropriate to make better use of such surplus capital to generate jobs and pay down debt given the strong position of the scheme, the fully funded nature of Queensland's public sector super, and the legislative guarantee of payouts," Mr Pitt said.

"The LNP will once again claim there is a 'raid' on members' super, which just shows how little they know of how the scheme works — even former Treasurer Tim Nicholls is too lazy to acknowledge the facts and prefers untruthful scaremongering.

"The LNP's baseless claims also highlight the fact they need to tell Queenslanders how they would fill the \$4 billion budget black hole created by their rejection of the repatriation of surplus funds for job-generating infrastructure and debt pay-down.

"If they continue to reject the better use of these taxpayer-owned funds, they should declare what jobs they will cut, what frontline services they will scrap, and what assets they will sell to fill their budget black hole."

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The review noted the government's fiscal principle to fully fund its super liabilities and that over-funding of the scheme should be minimised and funding should be managed in the spirit of APRA funding and solvency standards applying to corporate DB schemes.

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By increasing the frequency of actuarial investigations to once a year the government will strengthen governance around the scheme.

Any recommendations by State Actuary reviews will be taken into account in each State Budget.

Media contacts 0447 316 432 / 0419 945 546

Let me know if you need anything else,
-Scott

Scott Forbes

Senior Media Advisor



**Queensland
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Office of the Hon. Curtis Pitt MP
Treasurer of Queensland
Minister for Trade and Investment

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1 William Street Brisbane QLD 4000

GPO Box 611 Brisbane QLD 4001

Lindsay Marshall

From: Graham Metcalf [redacted]
Sent: Friday, 5 May 2017 12:16 PM
To: Scott Forbes; Lindsay Marshall
Cc: Media
Subject: RE: QSuper Actuarial report

Let us know if you need anything prepared. Bit further across this now here

Graham

From: Scott Forbes [redacted]
Sent: Friday, 5 May 2017 11:59 AM
To: Nicole Quayle; [redacted]
Cc: Media
Subject: RE: QSuper Actuarial report

Legend! Thank you

(I contact QSuper and they're still looking for it)

From: Nicole Quayle [redacted]
Sent: Friday, 5 May 2017 11:52 AM
To: Scott Forbes [redacted] Lindsay Marshall [redacted]
Cc: Media [redacted]
Subject: QSuper Actuarial report

Scott

Here is the link:

<https://qsuper.qld.gov.au/~media/PDFs/QSuper-public/Publications/Annual-report/actuarialreport2016.ashx?la=en>

Thanks
Nicole

Nicole Quayle
Communication Manager – Engagement
Strategic Communications
Office of the Under Treasurer
Queensland Treasury
Level 25, 1 William Street, Brisbane
Phone: (07) 3035 1800
Mobile: [redacted] Contrary to public interest
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RTI RELEASE

Katherine Iddles

From: Media Statements QLD [REDACTED]
Sent: Friday, 5 May 2017 12:35 PM
To: Katherine Iddles
Subject: Actuary's review highlights strength of defined benefit scheme



Treasurer and Minister for Trade and Investment
The Honourable Curtis Pitt

Actuary's review highlights strength of defined benefit scheme

A review of the state's defined benefit scheme by the State Actuary has concluded the repatriation of excess employer contributions should continue.

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The report is available online at:

<https://qsuper.qld.gov.au/~media/PDFs/QSuper-public/Publications/Annual-report/actuarialreport2016.ashx?la=en>

Media contacts 0447 316 432 / 0419 945 546

[Unsubscribe](#)

Scott Forbes

From: Elks, Sarah [REDACTED]
Sent: Friday, 5 May 2017 2:14 PM
To: Scott Forbes
Subject: Re: QSuper Actuarial report

Thank you for this

On 5 May 2017 at 12:02, Scott Forbes [REDACTED] wrote:

Hey,

I thought you might be looking for the actuary's report QSuper put up yesterday (Since I haven't seen any of the usual headlines about the Treasurer "robbing" public servants) It's difficult to find on their website, here's the link:

<https://qsuper.qld.gov.au/~media/PDFs/QSuper-public/Publications/Annual-report/actuarialreport2016.ashx?la=en>

Hope that helps,

-Scott



Scott Forbes

Senior Media Advisor

Office of the Hon. Curtis Pitt MP

Treasurer of Queensland

Minister for Trade and Investment

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SARAH ELKS

Queensland political reporter

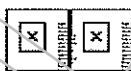
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Scott Forbes

From: Scott Forbes
Sent: Friday, 5 May 2017 2:28 PM
To: obrien.chris Contrary to public
Subject: RE: 3pm at Lawcadia, 155 Queen Street

If you need the report, QSuper put this up yesterday but it's difficult to find on their website:

<https://qsuper.qld.gov.au/~//media/PDFs/QSuper-public/Publications/Annual-report/actuarialreport2016.ashx?la=en>

From: Scott Forbes
Sent: Friday, 5 May 2017 2:23 PM
To: 'obrien.chris' Contrary to public interest
Subject: 3pm at Lawcadia, 155 Queen Street

3.00pm

Treasurer Curtis Pitt will announce Brisbane-based legaltech company Lawcadia has received \$500,000 from the Queensland Government's Business Development Fund. The funding will assist Lawcadia expand its legal procurement business, which is already attracting significant business interest across Australia and the Asia-Pacific region.

Where: Level 4, 155 Queen Street, Brisbane

Contact: 0419 945 546

I've attached the release for you

Scott Forbes

Senior Media Advisor
Office of the Hon. Curtis Pitt MP



Queensland
Government

Treasurer of Queensland
Minister for Trade and Investment

P 07 3719 7213 | Mob 0419 945 546 | Email: [REDACTED]
1 William Street Brisbane QLD 4000
GPO Box 611 Brisbane QLD 4001

Scott Forbes

From: Scott Forbes
Sent: Friday, 5 May 2017 2:51 PM
To: Curtis Pitt
Cc: Jason Humphreys; Lindsay Marshall
Subject: Actuary Release

Actuary's review highlights strength of defined benefit scheme

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Sent from my iPhone

Katherine Iddles

From: Scott Forbes
Sent: Friday, 5 May 2017 3:22 PM
To: @Premiers Media
Cc: @Treasurers Office
Subject: Audio Treasurer: Actuary and QSuper
Attachments: Treasurer Actuary and QSuper.m4a; ATT00001.txt

Voice Record Pro recording Treasurer: Actuary and QSuper

RTI RELEASE

Scott Forbes

From: Scott Forbes
Sent: Friday, 5 May 2017 3:50 PM
To: erin.rhone Contrary to public interest
Subject: Audio Treasurer: Actuary and QSuper
Attachments: Treasurer Actuary and QSuper.m4a; ATT00001.txt

Voice Record Pro recording Treasurer: Actuary and QSuper

RTI RELEASE

Scott Forbes

From: Scott Forbes
Sent: Friday, 5 May 2017 4:14 PM
To: Elks, Sarah
Subject: RE: Audio Treasurer: Actuary and QSuper

Yep, two secs

From: Elks, Sarah [REDACTED]
Sent: Friday, 5 May 2017 4:11 PM
To: Scott Forbes [REDACTED]
Subject: Re: Audio Treasurer: Actuary and QSuper

Perhaps that's because the alert said the presser was at 9.30am? Before we knew the actuary's report had been released.

Can you please give me a bell? I think the Treasurer misspoke and I just want to double check I'm not wrong.

On 5 May 2017 at 16:01, Scott Forbes [REDACTED] wrote:

3pm... Only Cobbie and Marszalek showed up

From: Elks, Sarah [REDACTED]
Sent: Friday, 5 May 2017 3:57 PM
To: Scott Forbes [REDACTED]
Subject: Re: Audio Treasurer: Actuary and QSuper

When did this presser happen?

On 5 May 2017 at 15:49, Scott Forbes [REDACTED] wrote:

Voice Record Pro recording Treasurer: Actuary and QSuper

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