

AUSTRALIAN GOVERNMENT ACTUARY The Office of the Australian Government Actuary (AGA) has considerable actuarial and policy expertise relating to superannuation, retirement planning and insurance. Actuarial techniques are also highly applicable to a wide range of other more general risk and finance related matters. Because AGA's activities range well beyond APRA's core functions, the APRA Board has come to the view that the office would be better located elsewhere in Government. This is under discussion.

During the year, AGA provided specialist advice on the financial health of a number of general insurers, with particular focus on the assessment of the liability risks. For general insurers, liability risk presents the greatest prudential challenge. However, because of the associated technical difficulty in assessing this risk, specialists are usually required. AGA provided advice to APRA to support and guide remedial and prudential action in relation to the liability risk faced by certain general insurers.

for the Australian Federal Police Adjustment Scheme, as well as providing Notional Surchargeable Contribution Factor calculations and other surcharge related work, for Commonwealth superannuation schemes.

AGA completed work on the Australian Life Tables 1995-97, which are based on data from the 1996 Census of the population and which were published in July this year. It produced a set of Annual Life Tables covering the three years 1995-97 for the Australian Bureau of Statistics for publication in *ABS Deaths Bulletin 1997*; produced research that summarised the Australian Life Tables and made some observations on Australian mortality; and conducted tutorials in actuarial subjects at the Australian National University.

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AGA played a central role in implementing the Government's decision to ensure that agencies meet the full cost of superannuation obligations accruing to their employees, successfully tendering for a major part of the work carried out during the year. This involved a full reconciliation of ComSuper superannuation data and contribution rate assessments for over 30 agencies.

It provided miscellaneous advice to Department of Finance and Administration including, for example, advice on treatment of the surplus in the Telstra Notional (Superannuation) Fund; and undertook a complete review of the Military Compensation Scheme for the Department of Defence, as well as a valuation of liabilities under the *Veterans' Entitlement Act 1986* and comparison of *Superannuation (Resolution of Complaints) Act 1993* and *Veterans' Entitlement Act 1986* benefits for the Department of Veterans' Affairs.

It provided advice to the Australian Taxation Office on technical implementation issues associated with the Superannuation Surcharge Tax and to the ACT Legislative Assembly on the unfunded liability relating to ACT employees who are members of the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. This advice was related to the assembly's actuarial research and training considerations regarding the possible sale of ACTEW Corporation.

AGA also gave advice to a number of agencies in relation to the proposed superannuation choice-of-fund regime. It provided enhancements to the HECS model developed in 1997/1998 for the Department of Employment, Education, Training and Youth Affairs to account for future debt accruals, and calculated accrued liabilities

