



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Referred by: Australian Labor Party **Proposal No:** C1661
Date Referred: 13/03/2023 **Date Published:**
Proposal Title: Extend Police insurance scheme
Cluster: Stronger Communities

General Government Sector Impacts

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	-	-	-	-
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
Net Operating Balance:	-	-	-	-	-

Capital Expenditure	-	-	-	-	-
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	-	-	-	-

Net Lending/(Borrowing):	-	-	-	-	-
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Total State Sector Impacts

Net Lending/(Borrowing):	-	-	-	-	-
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Notes and costing assumptions:

The policy proposes to continue the arrangement for the reimbursement of excess concessional superannuation contributions brought about by Police Blue Ribbon Insurance (PBRI).

The policy seeks for the NSW Government to work with the Police Association of New South Wales (PANSW), NSW Police Force (NSWPF) and the Federal Government to permanently resolve the issue.

The Parliamentary Budget Office (PBO) has costed the policy as having a nil impact over the forward estimates.

Advice from NSWPF

The existing Memorandum of Understanding (MoU) between the NSW Government and PANSW expires on 30 June 2024. This MoU includes the provision that the NSW Government will reimburse police officers' excess superannuation tax impacts as a result of the PBRI.

There is no current Commonwealth agreement to reimburse any funds to NSWPF, with the previous agreement ending in the 2019-20.

Notes and costing assumptions continued:

There is no separate provision in the 2022-23 Budget or over the forward estimates for the reimbursement of excess concessional superannuation contributions brought about by PBRI.

The PBRI policy runs from 1 October each year to 30 September each year.

Since the PBRI scheme started in 2011, the NSW Government has provided adequate budget to meet all PBRI related costs. However, as the premiums significantly change each year, funding is determined for one year at a time - with adjustments to reflect premiums (in October annually).

The reimbursements are paid out of NSWPF's total budget and is used to meet all costs of the scheme. This includes income protection for officers over the age of 60 (who are not covered by PBRI), medical costs, PBRI premiums, tax reimbursements, staff employed to administer the scheme and actuarial support.

The cost of the reimbursement of excess concessional superannuation contributions is dependent on a number of factors including:

- The level of the premiums,
- The actual salary of individual officers,
- The extent to which officers contribute private salary sacrifice arrangements, and
- The extent to which officers receive superannuation contributions from secondary employment.