

member report

05



strength, security and growth

## Amendment to Member Report 05

Since this brochure was printed RBF has reduced administration fees. When RBF reduced administration fees the fund also changed how it deducts the administration fee from members' accounts. This change was made to make administration fees more transparent for members.

### Page 10 – What charges will I pay?

In paragraph one the following new information updates the existing content.

Existing content	New content
<i>All fees payable are deducted from gross investment returns before they are credited to member accounts.</i>	<i>From 1 July 2006 the administration fee will be deducted directly from the members' account balance. The investment management fee and any taxation which is payable on investment earnings will continue to be deducted from gross investment returns before they are credited to member accounts.</i>

### Page 14 – Crediting rates

The following new information updates the existing content.

Existing content	New content
<p><i>RBF calculates the crediting rates for the different Member Investment Choice options on a weekly basis. The crediting rate is the return due to members after all fees and taxes have been deducted and is calculated as follows:</i></p> <p><b>Step 1</b> <i>Gross earning rate</i></p> <p><b>Step 2</b> <i>Less investment management and administration fees</i></p> <p><b>Step 3</b> <i>Less income tax expense</i></p> <p><b>Step 4</b> <i>Crediting rate after fees and tax</i></p> <p><i>The crediting rates for the different Member Investment Choice options are shown below. The crediting rates are not intended to be a guarantee or an indication of future returns.</i></p>	<p><i>RBF calculates the crediting rates for the different Member Investment Choice options on a weekly basis. For the period shown below the crediting rate is the return due to members after all fees and taxes have been deducted and was calculated as follows:</i></p> <p><b>Step 1</b> <i>Gross earning rate</i></p> <p><b>Step 2</b> <i>Less investment management and administration fees</i></p> <p><b>Step 3</b> <i>Less income tax expense</i></p> <p><b>Step 4</b> <i>Crediting rate after fees and tax</i></p> <p><i>The crediting rates for the different Member Investment Choice options are shown below. The crediting rates are not intended to be a guarantee or an indication of future returns.</i></p> <p><i>From 1 July 2006 the administration fee will be deducted directly from the members' account balance. The investment management fee and any taxation which is payable on investment earnings will continue to be deducted from gross investment returns before they are credited to member accounts.</i></p>

## Letter from the President

### Dear members

This has been another successful year for RBF and its members. During 2004-05 RBF's funds under management increased to over \$2 billion and by June 2005 had grown to more than \$2.2 billion.

This represents growth of more than 20% over the year, and nearly 60% over the last five years. This strong growth has been underpinned by RBF's successful investment strategy and the confidence our members have in the Fund and our on going success.

RBF's increased funds under management are supported by another year of strong investment returns.

The RBF Actively Managed Investment option provided members with a return of 11.98%. RBF's investment returns and our increased funds under management are both strong validations of the Board's corporate plan.

During the year Rod Hunt and Greg Philp (the Deputy President) retired from the Board. I would like to express my thanks to them for their contribution to RBF and wish them well for the future. Andrea Lawrie and Lindsay Jones replaced them as Board members. Andrea Lawrie is now the Board's Deputy President.

This year RBF welcomed a new CEO – Simon Gillies. Simon is one of the most experienced and respected professionals in the Tasmanian financial services industry. Simon's primary focus for the Board will be business strategy and product and services development. His direction and commitment is to provide quality services and products with a genuine member focus.

Simon replaced Garry Fletcher who retired in November 2004 after 15 years as CEO. I would like to thank Garry for his years of service and the tremendous results he achieved for the Fund and our members.

Finally I would like to thank our Board and staff for their hard work, dedication and commitment to the Fund over the past year and wish all of you, the members of RBF, another successful year.

Yours sincerely



Damian Egan

**PRESIDENT**

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## Highlights

### \$2 billion in Funds Under Management

In November 2004 RBF was delighted to announce that we reached \$2 billion in funds under management. This reflects RBF's successful investment strategy and the confidence our members have in the fund. At the end of June 2005 funds under management had grown to \$2.2 billion. This represents a growth of more than 20% over the year and nearly 60% over the last five years.

### A new Chief Executive Officer

RBF's new CEO is Simon Gillies. Simon is one of the most experienced and respected professionals in the Tasmanian financial services industry. His primary focus will be on business strategy and product and services development. His direction and commitment is to continue to provide quality services and products that satisfy our members' needs.

Simon replaces Garry Fletcher who retired in November 2004. Under Garry's stewardship, RBF achieved the fastest growth rate of its history and provided excellent services and returns for members.

### Commonwealth Super Co-contribution

The Super Co-contribution\* is a Commonwealth Government initiative to help eligible people save for their retirement. If you make personal contributions to your super you may be eligible to receive the payment. The Government may make this payment to employees who earn less than \$58,000 a year. The maximum Super Co-contribution payable is \$1,500 a year for workers earning less than \$28,000 a year.

During the year, over 6,000 RBF members received co-contribution payments totalling more than \$3.2 million.

### RBF Term Allocated Pension

In addition to RBF's other pensions, members can now choose to take their retirement benefit as an RBF Term Allocated Pension. The new option provides members with greater choice and flexibility with their retirement income strategies. With a Term Allocated Pension members can invest a lump sum with RBF, choosing an investment strategy to suit their needs. The aim is to provide members with a pension that maximises the likelihood of receiving a regular income stream that will last for their lifetime or for the life expectancy of their surviving partner.

While only available from 1 July 2005, Term Allocated Pensions have already created a lot of interest from RBF members.

### Salary Sacrifice into the RBF Contributory Scheme

In July 2005 Salary Sacrifice into the RBF Contributory Scheme was introduced. This means that members of the RBF Contributory Scheme can salary sacrifice their superannuation contributions to the scheme. Salary Sacrifice contributions are paid by your employer under an arrangement whereby you forgo future taxable salary in return for your employer making contributions to your super.

Salary sacrificing may have other tax implications including, at retirement, when your retirement benefit may be subject to higher taxation. RBF recognises that each member's circumstances are different and recommends you seek appropriate advice on whether Salary Sacrifice is suited to your circumstances.

\* Eligibility conditions, including (but not limited to) income thresholds, personal contribution levels and age limits, apply. For more information please contact RBF

## TAS Administration Fees

For the second year running RBF has reduced the administration fees on the RBF Investment Account, the TAS-SG Account and the RBF Allocated Pension Account. From 1 July 2005, the administration fees for these accounts will be as shown in the table below.

This reduction reflects RBF's commitment to maintaining fees at the lowest level commensurate with sound management.

Account	2004-05 % pa	2005-06 % pa
<b>RBF Investment Account</b>	0.60	0.55
<b>RBF-TAS SG Account</b>	1.00	0.90
<b>RBF Allocated Pension</b>	0.80	0.75

## Family Memberships

In the past year the number of RBF Spouse Accounts\*\* has increased by 20%. Contributing to a Spouse Account is about looking after your financial future and creating family wealth. By opening an RBF Spouse Account your partner can become a member of RBF and share many of the benefits that RBF offers. Opening a Spouse Account is easy: contact RBF for details.

## Choice of fund

Since 2000 most Tasmanian public sector employees have had choice of fund, which enables eligible employees to direct their employers to pay compulsory superannuation contributions to a superannuation fund of their choice. From July 2005 Commonwealth legislation made choice of fund available to more people in the community. You can use our fund comparator, available from the RBF website, if you are considering your superannuation options.

## At your workplace

During the year RBF expanded its successful workplace seminar program. At the seminars members had the opportunity to learn and update their knowledge of super, to explore ways to maximise their super and plan for their retirement. During the year RBF visited 132 workplaces around the State.

This successful program will be expanded next year. The seminars are about creating wealth and securing your financial future.

\*\* Conditions apply. Please contact RBF for details.

## Investing in Tasmania

RBF is a Tasmanian fund with a strong commitment to the Tasmanian economy. At 30 June 2005, RBF's Tasmanian investments were worth more than \$157 million. As well, RBF had placed cash investments of \$181 million with Tascorp.

## Community support

RBF staff provides support to the Tasmanian Community by raising money for local organisations. Every second Friday staff 'go casual'. By wearing casual clothes and making a donation to charity, staff raise money for organisations such as the ABC Giving Tree. In May 2005, RBF staff entered a team in the City to Casino Fun Run which raised money for the Heart Foundation's cardiovascular research and health promotion programs. Our staff have enjoyed all the fundraising over the past year and feel they have benefited from the experience as much as the organisations they have helped.



## RBF Super Services

RBF provides members with the following super services:

- seminars
- workshops
- interviews
- website access to your account
- half-yearly Membership Statements
- brochures
- newsletters.

### [www.rbf.com.au](http://www.rbf.com.au)

The RBF website gives you easy access to information about RBF's products and services 24 hours a day, seven days a week. By registering on the website you can use RBF's full range of online services. At [www.rbf.com.au](http://www.rbf.com.au) you can:

- use RBF's online calculators
- view your account balance(s)
- access RBF's brochures and forms
- advise RBF online of your Member Investment Choice switches
- access up-to-date information about your super
- access a Benefit Estimate
- be notified when RBF updates the crediting rates.

### RBF brochures

The following brochures are available from RBF to help explain your super options and entitlements:

- Voluntary Contributions
- Rollover
- Salary Sacrifice
- Spouse Accounts
- Super Co-contributions
- RBF Contributory Scheme – what contribution strategy can I use?
- Member Investment Choice
- Death and Incapacity Cover
- Death Benefits
- Leave Without Pay
- Retirement.

To receive a brochure telephone **1800 622 631** or visit the RBF website at [www.rbf.com.au](http://www.rbf.com.au).

#### At RBF there are:

- no entry fees
- no exit fees
- no commissions
- no switching fees.

RBF charges an administration fee and an investment management fee.

## RBF-TAS Planning

RBF-TAS Planning provides specialist financial planning assistance to RBF members. Members are not charged a fee for advice about RBF products and services but may be charged a fee for other financial planning advice. To get the most out of meeting with RBF-TAS Planning, members should first attend an RBF seminar or an interview with an RBF staff member.

RBF-TAS Planning commenced in 2001 as a joint venture with Connect Credit Union. The joint venture ended on 29 April 2005 with RBF-TAS Planning becoming a wholly owned subsidiary of RBF. After the support provided by Connect over the past four years, RBF-TAS Planning had developed in-house the necessary skills and competencies to provide an autonomous service to members.

### Feedback and reviews

RBF welcomes all feedback from members. We have a comprehensive review and complaint process to address member concerns. At RBF we welcome member feedback as it provides an opportunity for us to improve our service. We are committed to settling any member concerns quickly and fairly. For further information about RBF's complaint and review process, please contact us.



## RBF Membership Benefits

### Death and Incapacity Cover

If you have Death and Incapacity Cover, RBF may pay you a benefit if you are too sick or unable to work. You could be paid a benefit equal to 75% of your salary for up to two years.

Generally you are automatically entitled to Death and Incapacity Cover if you are:

- a public sector employee
- under age 60
- a member of the RBF Contributory Scheme or have an RBF-TAS SG Account.

If you have an RBF-TAS SG Account, you can adjust your cover to suit your individual circumstances. If you are a member of the RBF Contributory Scheme you are only entitled to full Ill Health and Death Benefits after you pass a medical examination\* or you have contributed to the scheme for ten years. For further details about Death and Incapacity Cover, please see the chart on pages 7-8.

### RBF Term Allocated Pension

In addition to RBF's other pensions, members can now choose to take their retirement benefit as an RBF Term Allocated Pension.

The new option provides members with greater choice and flexibility with their retirement income strategies.

With a Term Allocated Pension members can invest a lump sum with RBF, choosing an investment strategy to suit their needs.

The aim is to provide members with a pension that maximises the likelihood of receiving a regular income stream that will last for their lifetime or for the life expectancy of their surviving partner. To start an RBF Term Allocated Pension you must have some money invested with RBF or have a financial interest in the Fund\*\*.

### RBF Allocated Pension

An RBF Allocated Pension can be the key to a successful financial future. If you are retired it can provide a flexible tax-effective income. You can vary your pension payments within minimum and maximum limits set by the Commonwealth Government. To start an Allocated Pension you must have some money invested with RBF or have a financial interest in the fund\*\*. As at 30 June 2005, RBF was paying 357 members an Allocated Pension.

### With an RBF Allocated Pension, you can:\*\*

- maximise your tax concessions
- choose the right investments to help your retirement income last
- have flexibility and control over your money
- choose how much (within Commonwealth Government limits) RBF will pay you
- structure your investments so you may receive a Centrelink benefit
- make sure any remaining money passes to your partner.

### RBF Life Pension

With an RBF Life Pension\*\*\*, RBF will pay you an income for the rest of your life and even your partner's life\*\*. Depending on how long you and your partner live, your Life Pension might, over time, be more than the income you would receive from a Lump Sum investment.

Generally you can take a Life Pension if you became a member of RBF before 15 May 1999\*\*. As at 30 June 2005 RBF paid 7,316 members a Life Pension. Life Pensions are adjusted each year in line with increases in the Consumer Price Index.

During the 2004-05 financial year Life Pensions increased by the following amounts:

1 July 2004	1.4%
1 January 2005	0.9%

In some cases, if you are receiving an RBF pension you may still be able to contribute to the RBF Investment Account. For further details about the RBF Investment Account, please see pages 8-9. Conditions apply; for further details please contact RBF.

### Lump Sum Benefit

When you retire after reaching your preservation age you can take your retirement benefit as a Lump Sum. If you do this you may pay more tax on your benefit than if you take an RBF Pension. If you take your benefit as a Lump Sum you can invest it in the RBF Investment Account. For further details about the many benefits that the Investment Account offers, please see pages 8-9.

\* A medical practitioner approved by the RBF Board must conduct the medical examination.

\*\* Conditions apply. Please contact RBF for details.

\*\*\* Contact RBF for further information about the different types of Life Pension available.



## Schemes and Accounts

RBF charges no entry or exit fees. Members benefit from a wide range of flexible superannuation options. There are many opportunities to increase your super and secure your retirement lifestyle.

Your Membership Statement, which is enclosed with this report, lets you know which RBF schemes and accounts you are in. You can use the chart on pages 7-8 to find out about the many benefits your superannuation scheme offers.

**RBF Contributory Scheme** – for permanent and certain temporary or contract employees who started employment in the public sector before 15 May 1999.

**Tasmanian Accumulation Scheme (TAS)** – for people employed from 15 May 1999 in the public sector, and other employees not in the RBF Contributory Scheme.

**Parliamentary Superannuation Fund (PSF)** – for Members of Parliament first elected to Parliament before 15 November 1985. The PSF was incorporated into RBF as a sub fund from 1 January 2003.

**Parliamentary Superannuation Retiring Benefits Fund (PRBF)** – for Members of Parliament first elected to Parliament after 14 November 1985 and before 1 July 1999. The PRBF was incorporated into RBF as a sub fund from 1 January 2003.

**RBF-TAS SG Account** – where employer contributions for TAS members are invested.

**RBF Investment Account** – where voluntary contributions, rollovers, Salary Sacrifice and Super Co-contributions are invested.

**RBF Allocated Pension Account** – for superannuants who have invested in an Allocated Pension.

**RBF Term Allocated Pension Account** – for superannuants who invest in a Term Allocated Pension (this option has only been available since 1 July 2005).

**RBF Compulsory Preservation Account** – for preserved unfunded benefits.

## Choose how your money is invested

If you have an RBF Investment Account, an RBF-TAS SG Account, an RBF Allocated Pension Account, or an RBF Term Allocated Pension Account, you have access to Member Investment Choice (MIC)\*. This means you can choose how your money is invested. With MIC you can choose an investment strategy to suit your needs. MIC offers a broad range of investment options with different levels of projected risk and return.

Risk is the amount by which the value of your investment is likely to fluctuate in any given period. Return is the money you make on your investments.

You can choose to invest your money in one investment option or in a number of options. You can switch between options as often as you like. If you do not choose an investment option, RBF will invest your contributions in the RBF Actively Managed option. This is RBF's default option.

\*If you would like to know more about RBF's MIC options or the impact of basic investment principles such as risk and return on your account balance, please visit the RBF website at [www.rbf.com.au](http://www.rbf.com.au) or contact RBF.

# schemes and accounts

## The RBF Contributory Scheme and the RBF Tasmanian Accumulation Scheme

Features	RBF Contributory Scheme	RBF Tasmanian Accumulation Scheme (TAS)
<b>Brief description of benefit</b>	<p>A defined benefit scheme where generally, the final benefit depends on:</p> <ul style="list-style-type: none"> <li>• average salary over the last three years worked in the public sector</li> <li>• the number of years contributions have been made to the Scheme</li> <li>• the percentage contribution rate(s) used to deduct contributions from salary.</li> </ul>	<p>An accumulation scheme where the final benefit depends on:</p> <ul style="list-style-type: none"> <li>• the amount of employer contributions deposited in the RBF-TAS SG Account</li> <li>• the amount of employee contributions deposited in the RBF Investment Account</li> <li>• the amount of any additional employer contributions, Salary Sacrifice contributions, spouse contributions and/or Commonwealth Super Co-contributions deposited in the RBF Investment Account</li> <li>• the investment returns, net of fees and taxes, credited to the accounts.</li> </ul>
<b>Membership as at 30 June 2005</b>	13,036	21,823
<b>Membership eligibility</b>	<p>Generally:</p> <ul style="list-style-type: none"> <li>• permanent employees or</li> <li>• long-term employees</li> </ul> <p>both of whom elected to join and who started employment in the public sector before 15/5/99.</p>	<ul style="list-style-type: none"> <li>• State public sector employees</li> <li>• Superannuants</li> <li>• Members of Parliament and Statutory Officers who are not members of the Contributory Scheme or another complying superannuation fund</li> <li>• Partner of the above (also includes partner of a member of the RBF Contributory Scheme).</li> </ul>
<b>Benefit options</b>	<p>Members who meet Commonwealth preservation requirements may take a Lump Sum benefit, an RBF Life Pension, an RBF Allocated Pension, an RBF Term Allocated pension or a combination.</p>	<ul style="list-style-type: none"> <li>• Members who meet Commonwealth preservation requirements may take a Lump Sum benefit, an RBF Allocated Pension, an RBF Term Allocated Pension or a combination.</li> <li>• Members who joined before 15/5/99 can also take an RBF Life Pension.</li> </ul>
<b>Contribution options</b>	<ul style="list-style-type: none"> <li>• Members must contribute between 5% and 15% of their salary. Member Investment Choice does not apply to these contributions.</li> <li>• Contributions may be made either from post-tax salary or by salary sacrifice.</li> <li>• Members can make additional contributions into the RBF Investment Account which has Member Investment Choice.</li> </ul>	<ul style="list-style-type: none"> <li>• Members can make voluntary contributions or salary sacrifice contributions to the RBF Investment Account.</li> <li>• Members can use Member Investment Choice.</li> </ul>
<b>Death and Incapacity Cover</b>	<ul style="list-style-type: none"> <li>• For interim invalidity, a pension of 75% of salary received in the past year is available for up to two years.</li> <li>• For total and permanent incapacity, a Lump Sum benefit is payable up to \$50,000, with an additional \$30,000 if approved by the RBF Board. The balance is payable as an RBF Life Pension.</li> <li>• On death, a Lump Sum Benefit is paid. The surviving partner of the deceased can convert this into a pension.</li> <li>• Terminally ill members who are likely to die within 12 months can elect to receive a Lump Sum.</li> </ul>	<ul style="list-style-type: none"> <li>• For temporary incapacity, a pension of 75% of salary received in the past year is available for up to two years.</li> <li>• For permanent incapacity, the benefit can be taken as a Lump Sum, an RBF Allocated Pension, an RBF Term Allocated Pension or a combination.</li> <li>• Members joining before 15/5/99 can also take the benefit as an RBF Life Pension.</li> <li>• On death, a Lump Sum benefit is paid.</li> </ul>

# schemes and accounts

Features	RBF Contributory Scheme	RBF Tasmanian Accumulation Scheme (TAS)
<b>Death and Incapacity Cover (continued)</b>	<ul style="list-style-type: none"> <li>The insurance premium is 0.35% of a member's salary. This amount is deducted each fortnight from the member's account.</li> <li>Members are entitled to limited Ill Health and Death benefits until the member passes a medical examination* or has contributed to the scheme for ten years, when he or she will be entitled to full benefits.</li> </ul> <p>* A medical practitioner approved by the RBF Board must conduct the medical examination.</p>	<ul style="list-style-type: none"> <li>Variable Death and Incapacity Cover, from 0% to 300%. Members electing to have no cover must have alternative cover.</li> <li>The insurance premium for standard 100% cover is 0.55% of a member's salary. This amount is deducted each fortnight from the member's RBF-TAS SG Account.</li> </ul>
<b>Crediting rates</b>	<ul style="list-style-type: none"> <li>The crediting rate is the average of the previous three years' market value return after provision is made for investment, administration and taxation costs in the last financial year.</li> <li>Crediting rates (net of charges) in 2004–05 were: 1/7/04 to 30/9/04 3.13% pa 1/10/04 to 30/6/05 4.39% pa</li> <li>Generally the crediting rate does not affect the level of benefits for RBF Contributory Scheme members as benefits are based on a formula. The formula is linked to salary, service and contribution rate.</li> </ul>	<ul style="list-style-type: none"> <li>The crediting rate is set weekly and is based on the most recent net investment returns.</li> <li>Each week the account balance is adjusted according to the crediting rate.</li> <li>The different crediting rates for each Member Investment Choice option are available on the RBF website at <a href="http://www.rbf.com.au">www.rbf.com.au</a> and on flyers available from RBF.</li> </ul>
<b>Fees</b>	<p>Administration fees were 0.85%. Investment management fees were 0.55%. Generally the level of these fees does not impact on the level of benefits paid to Contributory Scheme members.</p>	<ul style="list-style-type: none"> <li>An administration fee and an investment management fee are charged. Each Member Investment Choice option has a different investment management fee.</li> <li>The administration fees for the different accounts are provided below. The different investment management fees are provided on page 18.</li> <li>Information about fees is published on RBF's website at <a href="http://www.rbf.com.au">www.rbf.com.au</a> and on RBF's regularly produced crediting rate fliers.</li> </ul>

## Administration fees

From 1 July 2005 RBF will vary administration fees for all accounts as shown in the table below.

Account	2004–05 % pa	2005–06 % pa
<b>RBF Investment Account</b>	0.60	0.55
<b>RBF-TAS SG Account</b>	1.00	0.90
<b>RBF Allocated Pension Account</b>	0.80	0.75
<b>RBF Contributory Scheme</b>	0.85	0.92
<b>Parliamentary Superannuation Fund Scheme (PSF)</b>	0.85	0.92
<b>Parliamentary Retiring Benefits Fund (PRBF)</b>	0.85	0.92

Although administration fees for the RBF Contributory Scheme, Parliamentary Superannuation Fund Scheme (PSF) and the Parliamentary Retiring Benefits Fund (PRBF) increased, generally the level of fees has no impact on the level of benefits paid to members of these schemes.

## The RBF Investment Account

The RBF Investment Account is where voluntary contributions, Salary Sacrifice contributions and rollovers from other superannuation funds are invested.

### Who can make contributions to the RBF Investment Account?

Generally, if you are a member of RBF you can make contributions to the Investment Account\*. Public sector employees can make contributions to the Investment Account. If you are not a public sector employee you may still be able to make contributions to the Investment Account if you already have some money invested with RBF. If you are retired you may be able to use the Investment Account if you satisfy the Commonwealth Government's eligibility rules\*.

### How can I make contributions?

You can contribute as much or as little money as you like to the RBF Investment Account and you can start or stop making contributions at any time. You can make\*:

- Salary Sacrifice contributions
- voluntary contributions
- spouse contributions
- rollovers from other super funds
- self-employed contributions

Often a combination of the above options will produce the best result.

## The Commonwealth Super Co-contribution

If you contribute to the RBF Investment Account you may be eligible to receive a Commonwealth Super Co-contribution\*\*. This is a Commonwealth Government initiative to help eligible people save for their retirement. The Government may make this payment to employees who earn less than \$58,000 a year. The maximum Super Co-contribution payable is \$1,500 a year for workers earning less than \$28,000 a year\*\*\*.

\* Conditions apply, please contact RBF for details.

\*\* Eligibility conditions, including (but not limited to) income thresholds, personal contribution levels and age limits, apply. For more information please contact RBF.

\*\*\* These amounts are current as of 1 July 2005, but are subject to change.

† Under Commonwealth taxation legislation, a partner includes your husband or wife or another person who, although not legally married to you, lives with you on a bona fide domestic basis as your husband or wife. A partner does not include a person who lives separately and apart from you on a permanent basis or a person who is the same sex as you. As RBF uses a different definition of partner this means that some partners holding an RBF Spouse Account will not be eligible for some Commonwealth taxation benefits. RBF recommends that readers seek professional advice about how this affects them before making investment decisions.

## Rolling over money from another superannuation fund

You can roll over superannuation from another fund into the RBF Investment Account. By rolling over superannuation, you can consolidate your super with RBF and enjoy the benefits of RBF's strong long-term investment performance and competitive fees.

If you have a partner† he or she can become an RBF member by opening a Spouse Account. If your partner opens a Spouse Account he or she can roll over money into that account. See the following section for further details about Spouse Accounts.

### Can my partner make contributions to the RBF Investment Account?

Your partner† may be able to become a member of RBF by opening an RBF Spouse Account. A number of tax advantages may be available to you and your partner by making contributions to a Spouse Account.

By making contributions to a Spouse Account you may\*:

- be entitled to a tax offset
- be able to increase the amount of retirement benefits you and your partner can claim at reduced tax rates.

By making contributions to a Spouse Account your partner may\*:

- increase the amount of tax-free retirement benefits that can be claimed
- become a member of RBF and gain access to the many benefits the Fund offers
- have the opportunity to secure his or her own retirement income.

## Salary sacrificing into the RBF Investment Account

You may be able to make contributions to the Investment Account by salary sacrificing.

By salary sacrificing into super you may:

- lower the overall tax rate for your salary, provided your taxable income is greater than \$21,600\*\*\*; and
- benefit from a low tax rate of only 15% on superannuation investment earnings.

Salary sacrificing has other tax implications. RBF recognises that each member's circumstances are different and recommends you seek appropriate advice on whether Salary Sacrifice is suited to your circumstances.



## What charges will I pay?

RBF does not charge entry fees, exit fees or commissions. RBF charges an administration fee and an investment management fee. Each Member Investment Choice (MIC) option has a different investment management fee. All fees payable are deducted from gross investment returns before they are credited to member accounts. RBF's current policy is that switching between MIC options is free of charge.

Information about fees is published on RBF's website [www.rbf.com.au](http://www.rbf.com.au) and in our regularly produced crediting rate fliers. For further information please contact RBF.

## RBF Compulsory Preservation Account

Generally, if you have an RBF Compulsory Preservation Account you have access to the RBF Investment Account\*. This means that you can share many of the benefits of being a member of RBF. For details of the RBF Investment Account, please see pages 8-9. The RBF Compulsory Preservation Account is where preserved, unfunded benefits are invested. You may have an unfunded Compulsory Preservation Account if you left:

- the RBF Contributory Scheme; or
- the closed Non-Contributory Scheme

\* Conditions apply, please contact RBF for details.

before you reached preservation age. The legislation does not allow for this account to be funded or transferred to another scheme until you reach your preservation age.

The balance of your Compulsory Preservation Account is indexed in line with either inflation or movements in average wages, whichever is greater. This is known as the crediting rate. In the 2004-05 financial year, the crediting rates for the Compulsory Preservation Account were:

- 1 July 2004 to 31 December 2004  
3.9540% pa for the six-month period
- 1 January 2005 to 30 June 2005  
3.2116% pa for the six-month period.

No fees or charges are applied to your Compulsory Preservation Account. RBF's investment performance will not affect the balance of your account.

As at 30 June 2005, 19,665 RBF members had a Compulsory Preservation Account. When you reach your preservation age your employer will fund your Compulsory Preservation Account and RBF will transfer the money into the RBF Investment Account. You will then be able to choose an investment profile from RBF's range of Member Investment Choice options. Your benefit will then accrue at the crediting rate for that option. This will continue until you retire, when RBF will pay you a retirement benefit.

## Parliamentary Schemes

Both the Parliamentary Superannuation Fund and the Parliamentary Retiring Benefits Fund are defined benefit schemes. In both schemes the benefits are determined by a formula based on salary and years of service. The Parliamentary Superannuation Fund provides members with a benefit paid as a pension. The Parliamentary Retiring Benefits Fund provides members with a benefit paid as a lump sum.

The Parliamentary Superannuation Committee determines if a member of either Parliamentary Scheme is entitled to an invalidity benefit on the basis of ill health or physical or mental incapacity. The Committee consists of the President of the Legislative Council, the Speaker of the House of Assembly and the Secretary of the responsible Department or his or her nominee.

## Investment Performance

The 2004–05 financial year was a successful one for investors and RBF members. For the second year in succession the Australian share market produced extraordinarily high returns which have boosted the returns earned by the majority of RBF's members.

RBF continues to perform well over the longer term. Compared to the SuperRatings Investment Survey\* for Default Funds, RBF Actively Managed has outperformed the average manager by 0.9% pa over the past five years. (The RBF Actively Managed option is not listed in the survey).

### Tasmanian investments continue to perform well

RBF's internally managed investments in Tasmanian property and mortgages continued to buoy the performance of the Fund. The RBF return on Tasmanian property investments before investment management fees was 28.8% for the 2004–05 financial year. For mortgages, the return before investment management fees was 8.7% for the year. Combined, these investments amount to \$154 million and represent 6.8% of the Fund.

### Investment philosophy and management

The RBF Board's investment philosophy is one of researched and disciplined decision-making and asset diversification. The RBF Board has appointed a mix of external investment managers to manage the majority of the Fund's assets. Tasmanian-based investments are managed internally by RBF where this is of benefit to the Fund.

All investment managers are regularly reviewed and assessed against performance targets. RBF used the following consultants and service providers during the year:

- Investment Management and Asset Allocation – JANA Investment Advisers Pty Ltd
- Economic and Liability Management – Mitchell and Co Pty Ltd
- Taxation – PricewaterhouseCoopers (Melbourne)
- Actuarial – PricewaterhouseCoopers (Melbourne)
- Custodial – J P Morgan Global Investor Services

\* Source: SuperRatings Pty Ltd's June 2005 SuperRatings Fund Crediting Rate Survey. This is not financial product advice. Independent professional advice must be obtained before making any financial decisions.

**Return for RBF Actively Managed is net of investment fees and taxation on investment earnings.**

## Member Investment Choice (MIC)

If you have an RBF Investment Account, an RBF-TAS SG Account, an RBF Allocated Pension Account, or an RBF Term Allocated Pension Account, you have access to Member Investment Choice (MIC). Through MIC, RBF members can access 14 different investment options. The asset allocation settings, performance objectives and crediting rates for these options are shown on the following pages. For more detailed information, visit the RBF website at [www.rbf.com.au](http://www.rbf.com.au) or contact RBF.



# investment performance

## Investment Strategy - Asset allocation at 30 June 2005

The investment strategy used by the Board to achieve the performance objective for individual MIC options is to invest in portfolios of assets exposed to the major asset classes that are appropriate for each MIC option, as shown below. No changes were made to the strategic asset allocation settings for any MIC options over the past year. The asset allocation settings for RBF Actively Managed may vary from time to time to reflect the Board's view of different investment markets. Such changes may occur without prior notice being given, within the predetermined ranges shown in the table.

	Australian Shares %	International Shares %	Property and Alternative Investments %	Fixed Interest %	Cash %
<b>RBF Actively Managed (Default Option)</b>					
<b>Strategic Asset Allocation</b>	38	18	24	18	2
<b>Range within which allocations can vary</b>	30–45	10–25	10–30	10–30	0–20
<b>RBF Long Term Growth</b>	50	25	20	5	-
<b>RBF Diversified Growth</b>	40	20	10	30	-
<b>RBF Conservative Growth</b>	15	10	5	45	25
<b>RBF Australian Shares</b>	100	-	-	-	-
<b>RBF International Shares</b>	-	100	-	-	-
<b>RBF Property and Alternative Investments</b>	-	-	100	-	-
<b>RBF Fixed Interest</b>	-	-	-	100	-
<b>RBF Cash</b>	-	-	-	-	100
<b>RBF Socially Responsible Investments*</b>	40	20	-	40	-
<b>State Street Balanced Index**</b>	35	25	10	25	5
<b>State Street Australian Shares Index**</b>	100	-	-	-	-
<b>Maple-Brown Abbott Balanced**</b>	45	15	10	20	10
<b>Maple-Brown Abbott Australian Shares**</b>	100	-	-	-	-

\* The RBF Socially Responsible Investments option is invested in the AMP Capital Investors' Sustainable Future Australian Shares Fund (40%), BIAM Australia's Ethical International Fund (20%) and RBF's Fixed Interest asset class (40%).

\*\* These investment options are managed solely by the individual manager who determines the asset allocation settings and the best way to invest each asset class. The asset allocations for these options are subject to change without notice.

# investment performance

## Performance objectives

The performance objective and target real rate of return for the 14 Member Investment Choice options are shown below.

<b>Member Investment Choice option</b>	<b>Objective</b>	<b>Target real rate of return net of all fees and charges</b>
<b>RBF Actively Managed</b>	To provide a moderate to high level of capital growth over the medium to long term.	3%–4% pa over rolling five-year periods
<b>RBF Long Term Growth</b>	To provide a high level of capital growth over the long term.	5% pa over rolling seven-year periods
<b>RBF Diversified Growth</b>	To provide a moderate to high level of capital growth over the medium to long term.	3%–4% pa over rolling five-year periods
<b>RBF Conservative Growth</b>	To provide some capital growth over the short to medium term while also maintaining a moderate to high level of capital stability and a low probability of a negative return in any one year.	1.5%–2% pa over rolling three-year periods
<b>RBF Cash</b>	To provide a high level of capital security and maintain the purchasing power of capital invested.	At least equal to the rate of inflation each year
<b>RBF Australian Shares</b>	To provide a high level of capital growth over the long term by investing in Australian shares.	5% pa over rolling seven-year periods
<b>RBF International Shares</b>	To provide a high level of capital growth over the long term by investing in a portfolio of international shares.	5% pa over rolling seven-year periods
<b>RBF Property and Alternative Investments</b>	To provide a stable income stream and also offer the opportunity for capital growth over the longer term.	4% pa over rolling five-year periods
<b>RBF Fixed Interest</b>	To provide a secure income stream and retain capital value over the medium term.	1.5% pa over rolling three-year periods
<b>RBF Socially Responsible Investments</b>	To provide a moderate level of capital growth over the long term, by investing in Australian companies that will form part of a socially and environmentally sustainable future and by excluding overseas companies that do not meet ethical investment criteria.	2%–3% pa over rolling five-year periods
<b>State Street Balanced Index</b>	To closely track the monthly rates of return of a composite benchmark with exposure to both equity (shares) and fixed income assets.	2.5%–3.5% over rolling four-year periods
<b>State Street Australian Shares Index</b>	To closely track the monthly rates of return of the S&P/ASX200 Accumulation Index.	4% over rolling seven-year periods
<b>Maple-Brown Abbott Balanced</b>	To provide a superior rate of return relative to the average of similar balanced funds as measured by the ASSIRT Multi-Sector Wholesale Index over rolling three years.	3%–4% pa over rolling five-year periods
<b>Maple-Brown Abbott Australian Shares</b>	To provide a superior rate of return relative to the S&P/ASX300 Accumulation Index over rolling four years.	5% pa over rolling seven-year periods

# investment performance

## Crediting rates

RBF calculates the crediting rates for the different Member Investment Choice options on a weekly basis. The crediting rate is the return due to members after all fees and taxes have been deducted and is calculated as follows:

- Step 1** Gross earning rate
- Step 2** Less investment management and administration fees
- Step 3** Less income tax expense
- Step 4** Crediting rate after fees and tax

The crediting rates\* for the different Member Investment Choice options are shown below. The crediting rates are not intended to be a guarantee or an indication of future returns.

## Crediting rates - RBF Investment Account

	00-01 %	01-02 %	02-03 %	03-04 %	04-05 %	3 years % pa	Since inception % pa	Inception date
<b>RBF Actively Managed</b>	10.00	0.78	0.71	11.75	11.98	8.01	6.78	2 Oct 99
<b>RBF Long Term Growth</b>	10.21	-4.18	-2.60	15.26	14.67	8.78	7.13	2 Oct 99
<b>RBF Diversified Growth</b>	9.33	-2.55	-0.86	11.63	12.35	7.53	6.52	2 Oct 99
<b>RBF Conservative Growth</b>	6.94	0.59	2.53	6.22	7.89	5.52	5.14	2 Oct 99
<b>RBF Australian Shares</b>	n/a	n/a	-2.85	18.86	23.75	12.63	11.76	29 Sep 01
<b>RBF International Shares</b>	n/a	n/a	-11.30	14.29	1.85	1.07	-1.07	20 Oct 01
<b>RBF Property &amp; Alternative Investments</b>	n/a	n/a	n/a	9.64	11.27	n/a	10.64	28 Jun 03
<b>RBF Fixed Interest</b>	n/a	n/a	n/a	2.67	6.82	n/a	4.66	28 Jun 03
<b>RBF Cash</b>	4.88	3.28	3.50	3.78	4.24	3.83	3.95	2 Oct 99
<b>RBF Socially Responsible Investments</b>	n/a	n/a	-0.96	11.73	10.18	6.83	5.40	20 Oct 01
<b>State Street Balanced Index</b>	n/a	n/a	-2.10	12.32	11.47	7.02	4.94	27 Oct 01
<b>State Street Australian Shares Index</b>	n/a	n/a	-2.44	19.41	23.57	12.91	10.33	3 Nov 01
<b>Maple-Brown Abbott Balanced</b>	n/a	n/a	n/a	n/a	11.37	n/a	12.80	5 Jul 03
<b>Maple-Brown Abbott Australian Shares</b>	n/a	n/a	n/a	21.82	20.17	n/a	20.73	28 Jun 03

\* The difference in the crediting rates between the accounts reflects the different inception dates, administration fees and taxation treatment that apply to the accounts. The crediting rates shown might not reflect actual rates credited to members' accounts because of timing of contributions, withdrawals and switches between options.

# investment performance

## Crediting rates - RBF-TAS SG Account

	00-01 %	01-02 %	02-03 %	03-04 %	04-05 %	3 years % pa	Since inception % pa	Inception date
<b>RBF Actively Managed</b>	9.64	0.48	-1.38	11.40	11.58	7.02	6.26	25 Apr 00
<b>RBF Long Term Growth</b>	9.79	-4.22	-2.92	14.87	14.24	8.41	6.27	25 Apr 00
<b>RBF Diversified Growth</b>	8.92	-2.79	-1.17	11.27	11.94	7.17	5.71	25 Apr 00
<b>RBF Conservative Growth</b>	6.56	0.10	2.22	5.91	7.52	5.19	4.64	25 Apr 00
<b>RBF Australian Shares</b>	n/a	n/a	-3.17	18.46	23.28	12.24	11.38	29 Sep 01
<b>RBF International Shares</b>	n/a	n/a	-11.58	13.93	1.48	0.74	-1.39	20 Oct 01
<b>RBF Property &amp; Alternative Investments</b>	n/a	n/a	n/a	9.28	10.85	n/a	10.25	28 Jun 03
<b>RBF Fixed Interest</b>	n/a	n/a	n/a	2.36	6.46	n/a	4.33	28 Jun 03
<b>RBF Cash</b>	4.51	2.93	3.09	3.47	3.88	3.51	3.65	25 Apr 00
<b>RBF Socially Responsible Investments</b>	n/a	n/a	-1.27	11.37	9.78	6.48	5.04	20 Oct 01
<b>State Street Balanced Index</b>	n/a	n/a	-2.40	11.97	11.07	6.67	4.46	27 Oct 01
<b>State Street Australian Shares Index</b>	n/a	n/a	-2.76	19.01	23.11	12.52	9.93	3 Nov 01
<b>Maple-Brown Abbott Balanced</b>	n/a	n/a	n/a	n/a	10.97	n/a	12.42	5 Jul 03
<b>Maple-Brown Abbott Australian Shares</b>	n/a	n/a	n/a	21.42	19.72	n/a	20.30	28 Jun 03

# investment performance

## Crediting rates - RBF Allocated Pension Account

	00-01 %	01-02 %	02-03 %	03-04 %	04-05 %	3 years % pa	Since inception % pa	Inception date
<b>RBF Actively Managed</b>	10.55	0.58	-1.53	12.84	13.16	7.93	7.07	15 Jan 00
<b>RBF Long Term Growth</b>	10.53	-4.93	-2.99	15.82	15.35	9.02	6.74	15 Jan 00
<b>RBF Diversified Growth</b>	9.70	-3.28	-1.22	12.70	13.57	8.13	6.52	15 Jan 00
<b>RBF Conservative Growth</b>	7.19	0.18	2.72	7.09	9.05	6.25	5.61	15 Jan 00
<b>RBF Australian Shares</b>	n/a	n/a	-3.27	19.63	24.87	13.05	12.61	29 Sep 01
<b>RBF International Shares</b>	n/a	n/a	-12.83	15.66	1.80	0.87	-1.07	20 Oct 01
<b>RBF Property &amp; Alternative Investments</b>	n/a	n/a	n/a	9.90	11.75	n/a	11.01	28 Jun 03
<b>RBF Fixed Interest</b>	n/a	n/a	n/a	2.89	7.77	n/a	5.23	28 Jun 03
<b>RBF Cash</b>	5.04	3.20	3.87	4.20	4.79	4.28	4.26	15 Jan 00
<b>RBF Socially Responsible Investments</b>	n/a	n/a	-1.34	12.82	11.08	7.33	5.84	20 Oct 01
<b>State Street Balanced Index</b>	n/a	n/a	-2.60	13.48	12.58	7.56	5.18	27 Oct 01
<b>State Street Australian Shares Index</b>	n/a	n/a	-2.85	20.21	24.68	13.34	10.85	3 Nov 01
<b>Maple-Brown Abbott Balanced</b>	n/a	n/a	n/a	n/a	12.47	n/a	14.05	5 Jul 03
<b>Maple-Brown Abbott Australian Shares</b>	n/a	n/a	n/a	22.77	21.08	n/a	21.64	28 Jun 03

## Defined Benefit Funds

- The RBF Contributory Scheme
- Parliamentary Superannuation Fund
- Parliamentary Retiring Benefits Fund

- to be above the median of similarly structured funds over rolling three-year periods.

Generally, investment performance does not affect the level of benefits paid to members of the RBF Contributory Scheme.

## Performance objectives

The performance objectives for the Contributory Scheme, the Parliamentary Superannuation Fund and Parliamentary Retiring Benefits Fund are for investment returns (after fees and tax):

- to exceed the rate of inflation by 4.5% per annum in the long term

# investment performance

## Investment Strategy - Asset allocation at 30 June 2005

The investment strategy used by the Board to achieve the above performance objectives is to invest in a balanced portfolio exposed to all major asset classes as shown below. The asset allocation of these defined benefit funds may vary from time to time to reflect the Board's view of different investment markets, within the predetermined ranges shown below. There has been no change in the strategic asset allocation as at 30 June 2005.

RBF Contributory Scheme Parliamentary Superannuation Fund Parliamentary Retiring Benefits Fund	Australian Shares %	International Shares %	Property and Alternative Investments %	Fixed Interest %	Cash %
<b>Strategic Asset Allocation</b>	38	18	24	18	2
<b>Range within which allocations can vary</b>	30-45	10-25	10-30	10-30	0-20

RBF Contributory Scheme	99-00 %	00-01 %	01-02 %	02-03 %	03-04 %	04-05 %	5 years % pa
<b>Net return (after fees &amp; tax)</b>	9.5	8.6	-1.2	1.0	12.7	12.8	6.6

RBF Contributory Scheme	1 year %	3 years % pa	5 years %pa
<b>Net return (after fees &amp; tax)</b>	12.8	8.7	6.6
<b>Objectives:</b>			
<b>CPI + 4.5%pa</b>	7.0	7.1	7.8
<b>InTech* median return for similarly structured funds</b>	13.1	8.8	5.4

The Parliamentary Superannuation Fund and Parliamentary Retiring Benefits Fund were only incorporated into RBF on 1 January 2003.

Parliamentary Superannuation Fund and Parliamentary Retiring Benefits Fund	03-04 %	04-05 %	Since 1 Jan 03 % pa
<b>Net return (after fees and tax)</b>	12.7	12.5	10.7

Parliamentary Superannuation Fund and Parliamentary Retiring Benefits Fund	1 year %	2 years % pa
<b>Net return (after fees and tax)</b>	12.5	12.6
<b>Objectives:</b>		
<b>CPI + 4.5% pa</b>	7.0	7.0
<b>InTech* median return for similarly structured funds</b>	13.1	13.5

\* InTech Performance Survey, June 2005, Growth Funds, net of fees and tax. The comparison made here uses the InTech Survey whereas an earlier comparison of RBF Actively Managed on page 11 used the SuperRatings survey. This is because the Board has recently decided to switch to using SuperRatings for peer group comparisons for the various Member Investment Choice options but currently uses the InTech Performance Survey for comparisons made for the defined benefit funds.

# investment performance

## Investment management fees

During the 2004–05 financial year RBF reviewed the level of investment management fees for all MIC options.

The following investment fees\* will apply from 1 July 2005.

Member Investment Choice (MIC) option	Investment fees payable from 1 July 05			Investment Fees effective from 1 Oct 05		
	Base investment fee % pa	Performance related investment fee % pa	Total investment fees % pa	Base investment fee % pa	Performance related investment fee % pa	Total investment fees % pa
<b>RBF Actively Managed</b>	0.60%	0.05%	0.65%	0.58%	0.10%	0.68%
<b>RBF Long Term Growth</b>	0.65%	0.07%	0.72%	0.62%	0.11%	0.73%
<b>RBF Diversified Growth</b>	0.54%	0.05%	0.59%	0.52%	0.08%	0.60%
<b>RBF Conservative Growth</b>	0.37%	0.02%	0.39%	0.37%	0.03%	0.40%
<b>RBF Australian Shares</b>	0.52%	0.10%	0.62%	0.50%	0.11%	0.61%
<b>RBF International Shares</b>	0.81%	0.02%	0.83%	0.73%	0.04%	0.77%
<b>RBF Property &amp; Alternative Investments</b>	0.88%	0.05%	0.93%	0.88%	0.23%	1.11%
<b>RBF Fixed Interest</b>	0.25%	0.03%	0.28%	0.30%	0.00%	0.30%
<b>RBF Cash</b>	0.03%	n/a	0.03%	0.03%	n/a	0.03%
<b>RBF Socially Responsible Investments</b>	0.61%	0.01%	0.62%	0.64%	0.00%	0.64%
<b>State Street Australian Shares Index</b>	0.17%	n/a	0.17%	0.17%	n/a	0.17%
<b>State Street Balanced Index</b>	0.31%	n/a	0.31%	0.31%	n/a	0.31%
<b>Maple-Brown Abbott Aust Shares</b>	0.40%	0.00%	0.40%	0.39%	0.00%	0.39%
<b>Maple-Brown Abbott Balanced</b>	0.97%	n/a	0.97%	0.96%	n/a	0.96%

\* Investment fees should be treated as an estimate of fees payable in the year commencing 1 July 2005. These fees are based on the costs incurred over the year ended 31 December 2004 and include fees paid to RBF's investment managers, asset consultants and custodian. The investment fee will vary depending upon factors such as the mix of investment managers used and their performance against benchmarks.

Performance fees are paid to some investment managers when their performance exceeds a predetermined objective. Performance fees earned over the year ended 31 December 2004 are shown separately in the table above and are included in the total investment fees column. If a performance fee has been paid, that means that a manager has outperformed its performance objective, thereby contributing to an overall higher level of returns.

Scheme	Total investment fees % pa
<b>RBF Contributory Scheme</b>	0.55%
<b>Parliamentary Superannuation Fund</b>	0.69%
<b>Parliamentary Retiring Benefits Fund</b>	0.68%

RBF has prepared information in accordance with ASIC guidelines for presentation of a superannuation fund's fees and charges.

To view this information visit [www.rbf.com.au](http://www.rbf.com.au).

## Derivatives

### What are derivatives?

Derivatives are financial contracts whose value depends upon the value of an underlying instrument or asset (typically a commodity, bond, equity or currency, or a combination of these). Derivatives can be used to reduce the risk of (or 'hedge') an investment in the underlying instrument.

### RBF's use of derivatives

Investment managers may use derivatives if the Board deems this appropriate and it is documented in contracts with the individual managers. The investment managers provide the Board with detailed risk management statements which outline their approach to derivatives and confirm that their approach is applicable to the investments they manage.

The Board, through the Investment and Asset Allocation Committee, monitors investment managers to confirm that the use of derivatives accords with the overall investment strategy of the Fund and is consistent with the performance objectives of each portfolio and sub fund.

The Board may, when it deems appropriate, use its custodian to enter into forward foreign exchange contracts to remove any foreign currency exposures which are not already hedged by its international managers.

## Changes to investments

During the 2004–05 financial year, the following changes were made to investment managers used by the RBF Board:

- Perennial Investment Partners were appointed to manage a 'cash enhanced' portfolio
- A small investment in Superannuation Member's Home Loans was redeemed and has been replaced with an investment in Superannuation Loans Trust.





## Funds under management as at 30 June 2005

	\$ million
<b>Australian Shares</b>	
452 Capital	142.2
Maple-Brown Abbott	
• discretely managed	252.2
• Australian Equity Trust (for MIC option)	5.4
State Street Global Advisors	
• discretely managed	238.4
• Australian Equities Index Trust (for MIC option)	2.8
• Long/ Short Equitised Trust	68.1
Warakirri New Dimensions Fund	88.2
AMP Capital Investors Sustainable Australian Share Fund (for MIC option)	1.8
<b>International Shares</b>	
Alliance Capital	104.7
BIAM Australia Ltd	
• discretely managed	138.0
• Ethical International Fund (for MIC option)	0.5
Capital International	130.7
Lazard Global Opportunities Fund	55.7
JP Morgan Currency Hedge	1.0
<b>Diversified Fixed Interest</b>	
PIMCO Australia	95.7
Portfolio Partners	65.4
RBF Board (Mortgages)	119.0
Superannuation Loans Trust	5.1
<b>Property &amp; Alternative Investments</b>	
AMP Capital Investors (Property)	141.3
Australian Prime Property Fund (Property)	115.0
Gresham Property Mezzanine Fund No. 2 (Property)	3.1
Lend Lease Real Estate Partners 2 (Property)	1.7
Pelorus PIPES – Hobart (Property)	3.3
RBF Board (Property)	35.0
AMP Capital Investors (Infrastructure)	15.8
First Tasmania Investments Ltd (Private Equity)	1.8
Industry Funds Management (Private Equity)	5.1
Hastings High Yield Fund (Infrastructure Debt)	34.4
Utilities Trust of Australia Pty Ltd (Infrastructure)	71.7
Maple-Brown Abbott – Diversified Investment Trust (MIC option)	2.8
State Street Global Advisors – Passive Balanced Trust (MIC option)	1.3
<b>Cash</b>	
Cash at Bank	5.3
Perennial Investment Partners (Cash Enhanced)	122.0
Tascorp	181.2
<b>Total RBF</b>	<b>2,255.7</b>

## Your RBF Board

The RBF Board oversees the Retirement Benefits Fund on behalf of members. The Board follows relevant legislation and acts in the best interests of the Fund, its members and other stakeholders. It fulfils its duties by developing valued relationships with members, the State Government and other stakeholders. The focus of the RBF Board is high-level policy and strategy. For a matter to be approved by the Board it must be supported by two-thirds of the voting members present at a Board meeting. The President may only exercise a casting vote in certain circumstances.

## Committees

To assist in the efficient operation of the Fund, the RBF Board has established two committees, which operate within the powers that have been formally delegated by the Board. These committees have the power to make decisions and recommendations to the RBF Board on policy.

**The Investment and Asset Allocation Committee's** objective is to make a positive contribution to the investment returns of the Fund through timely and appropriate investment strategy development and asset class diversification.

**The Communication, Infrastructure and Governance Committee's** objective is to ensure that administrative issues (including marketing and communications, technology and infrastructure and governance issues) are adequately monitored and directed, thereby increasing the time available to the Board for strategic planning and decision-making.

**The constitution of the committees as at June 2005 was:**

	<b>Investment and Asset Allocation Committee</b>	<b>Communications, Infrastructure and Governance Committee</b>
<b>Chairperson and Non-Voting Member</b>	D. Egan	D. Egan
<b>Voting Members</b>	K. Besharati R. Close N. Ellis	K. Backhouse L. Jones A. Lawrie
<b>Non-Voting Executive Member</b>	S. Gillies	S. Gillies

## Performance and policy

With the ongoing implementation of the Board's corporate plan, the year saw a further increase in funds under management of more than 20%. The increasing economies of scale that this growth provides have allowed the Board to reduce administration fees for many members from 1 July 2005. The Board's focus on growth will continue to ensure that members and stakeholders benefit from the greater economies of scale that are achieved through increased membership and funds under management.



Front row, left to right: Damian Egan, Kim Backhouse, Andrea Lawrie, Kim Besharati  
Back row, left to right: Simon Gillies (CEO), Lindsay Jones, Neroli Ellis, Robert Close.

## Board Members

The Governor appoints the members of the RBF Board.

### **Damian Egan** – President of the RBF Board (non-voting)

Nominee of the Minister, with the agreement of the Tasmanian Trades and Labor Council

Current Term: 26/4/2003 – 18/5/2006

Board Member since 1995 and President since 1996

Chairman of the Communication, Infrastructure and Governance Committee and the Investment and Asset Allocation Committee

Mr Egan is a Partner in the legal firm of Murdoch Clarke and a member of the Federal Government Corporations and Markets Advisory Committee.

### **Andrea Lawrie** – Deputy President of the RBF Board

Nominee of the Minister

Current Term: 13/9/2004 – 30/6/2007

Member of the Communication, Infrastructure and Governance Committee

Ms Lawrie is currently a student. She was previously Director of Revenue in the Department of Treasury and Finance (Revenue, Gaming and Licensing Division).

### **Robert Close**

Nominee of the Minister

Current Term: 27/5/2005 – 26/5/2006

Board Member and Deputy President 1983–1996

Reappointed as a Board Member in 1998

Member of the Investment and Asset Allocation Committee

Mr Close is the Chairman of State Grants Commission and a member of the UTAS Human Research Ethics Committee.

He was previously the Director of Financial Policy in the Department of Treasury and Finance.

### **Kim Besharati**

Nominee of the Minister

Current Term: 19/5/2003 – 18/5/2006

Member of the Investment and Asset Allocation Committee

Ms Besharati is a Principal Policy Analyst in the Intergovernment and Financial Policy Branch within the Department of Treasury and Finance.

### **Lindsay Jones**

Nominee of the Tasmanian Trades and Labor Council

Current Term: 13/12/2004 - 30/6/2007

Member of the Communications, Infrastructure and Governance Committee

Mr Jones is President of the CPSU (SPSFT) and is semi-retired.

He was previously the Executive Officer (Hartz District) in the Department of Education.

### **Neroli Ellis**

Elected by members of the RBF Contributory Scheme

Current Term: 12/7/2004 – 30/6/2007

Member of the Investment and Asset Allocation Committee

Ms Ellis is the Branch Secretary of the Tasmanian branch of the Australian Nursing Federation.

### **Kim Backhouse**

Elected by members of the Tasmanian Accumulation Scheme

Current Term: 12/7/2004 – 30/6/2007

Member of the Communication, Infrastructure and Governance Committee

Ms Backhouse is a Senior Investigation Officer, Office of the Health Complaints Commissioner, Ombudsman's Office. She is also a member of the Electrical Licensing Board and Chair of the Electrical Licensing Disciplinary Panel.

### **Wendy Sawford**

Substitute Board member since 1999

Currently a substitute for Andrea Lawrie

Current Term: 13/9/2004 – 30/6/2007

Ms Sawford is the Director of the Intergovernment and Financial Policy Branch within the Department of Treasury and Finance.

### **Simon Gillies – Chief Executive Officer**

As Chief Executive Officer, Simon has statutory responsibility for the general management of the RBF Board's investment and administration operations. He attends all Board meetings and is an executive member of the Board's Committees. Simon was acting Chief Executive Officer from 1 December 2004 until 27 July 2005, when he was appointed Chief Executive Officer.

The RBF Board purchased insurance to indemnify Board Members for the 2004–05 financial year.

## Legislative Changes

### Retirement Benefits Regulations 1994

During 2004 amendments were made to the Retirement Benefits Regulations 1994 which:

- ensured that the rules governing the power of the Board to release preserved superannuation benefits were as similar as possible to those contained in the Commonwealth's Superannuation Industry (Supervision) Regulations 1994 which govern regulated superannuation funds
- clarified that the Board may only make a determination on a member's application for an Ill Health Benefit where that member is in the employment of an Agency at the time of the Board's determination.

### Retirement Benefits Regulations 2005

The 1994 regulations have been rewritten as the Retirement Benefits Regulations 2005 which commenced with effect from 27 July 2005.

While the bulk of the changes made were procedural or drafting amendments, there are also some minor changes which better reflect the original policy intent of the regulations. A brief list of the more important changes is available on RBF's website at [www.rbf.com.au](http://www.rbf.com.au).

A significant change is the introduction of Salary Sacrifice for RBF Contributory Scheme members in accordance with the Public Sector Unions Wages Agreement (No 2) 2004.

This change enables Contributory Scheme members to make their compulsory superannuation contributions by way of Salary Sacrifice.

### Tasmanian Accumulation Scheme Trust Deed

Amendments were also made to the Tasmanian Accumulation Scheme Trust Deed (TAS Trust Deed) with effect from 1 July 2005. Many of these changes were to ensure, wherever possible, consistency between the provisions of the Retirement Benefits Regulations 2005 and the TAS Trust Deed. These included the changes noted above in relation to the early release of preserved benefits and changes made previously to the 1994 regulations by the *Relationships Act 2003*.

A significant change which was contained in the amendments made to the TAS Trust Deed was the introduction of RBF Term Allocated Pensions, which are self-funded. Pension payments are calculated as a fixed proportion of a Term Allocated Pension Account balance. The fixed proportion is based on life expectancy at the time of commencement. Term Allocated Pensions have been designed to provide a 75% chance of the capital balance lasting for the duration of the member's life.

### Abolition of Superannuation Surcharge

The Commonwealth Government has announced that the superannuation surcharge that was payable on an individual's surchargeable contributions will be abolished with effect from 1 July 2005. As a result, the surcharge will not apply in respect of superannuation contributions received from that date. Previously, the surcharge was payable on individuals' surchargeable contributions where their adjusted taxable income exceeded \$99,710.

### RBF Board policies

To assist the Board as Corporate Trustee and ensure the exercise of its duties and obligations are undertaken in the best interests of all stakeholders, the Board has policies on the following issues:

- privacy
- investment strategy
- sponsorship evaluation
- Board Member conflict of interest
- direct contact by service providers with Board Members
- Board Members obtaining independent advice
- *Public Interest Disclosures Act 2002* – RBF procedures.

These policies can be found at the following page on RBF's website: [www.rbf.com.au/rbfpublic/MbrPub/Policies.jsp](http://www.rbf.com.au/rbfpublic/MbrPub/Policies.jsp).

## Financial summary as at 30 June 2005

	\$'000 2005 (draft results only)	\$'000 2004
<b>RBF Contributory Scheme</b>		
<b>Statement of net assets as at 30 June</b>		
Investments	1,272,961	1,113,279
Other assets	17,038	25,368
Total assets	1,289,999	1,138,647
Liabilities	(36,490)	(35,059)
Net assets available to pay benefits	1,253,509	1,103,588
<b>Statement of changes in net assets</b>		
<b>Net assets available to pay benefits at the beginning of the financial year</b>	1,103,588	952,514
Investment revenue	158,929	138,784
Contribution revenue	185,382	217,947
Other revenue	(1,158)	(1,887)
General administration expenses	(8,255)	(8,398)
Benefits paid	(191,977)	(202,440)
Taxation expense	7,000	7,068
<b>Net assets available to pay benefits at the end of the financial year</b>	1,253,509	1,103,588
<b>RBF Investment Account</b>		
<b>Statement of financial position as at 30 June</b>		
Investments	662,714	510,035
Other assets	18,214	8,354
Total assets	680,928	518,389
Liabilities	(21,761)	(10,594)
Net assets available to pay benefits	659,167	507,795
<b>Operating Statement for the Year Ended 30 June</b>		
Net investment revenue	74,194	56,406
Contribution revenue	174,221	146,606
Sundry income	-	12
Total revenue	248,415	203,024
General administration expenses	(7,752)	(6,700)
Taxation expense	(8,000)	(7,987)
Benefits accrued from ordinary operations	232,663	118,337
<b>RBF -TAS SG Account</b>		
<b>Statement of financial position as at 30 June</b>		
Investments	299,745	220,762
Other assets	646	1,244
Total assets	300,391	222,006
Liabilities	(31,897)	(14,632)
Net assets available to pay benefits	268,494	207,374

## Financial summary as at 30 June 2005 continued

	\$'000 2005 (draft results only)	\$'000 2004
<b>Operating Statement for the Year Ended 30 June</b>		
Net investment revenue	33,437	25,810
Contribution revenue	84,098	64,136
Sundry income	-	23
Total revenue	117,535	89,969
General administration expenses	(8,933)	(6,925)
Taxation expense	(8,000)	(7,820)
Benefits accrued as a result of operations	100,602	75,224
<b>RBF PSF Scheme</b>		
<b>Statement of Net Assets as at 30 June</b>		
Investments	6,251	5,688
Other assets	9	93
Total assets	6,260	5,781
Liabilities	(238)	(210)
Net assets available to pay benefits	6,022	5,571
<b>Statement of Changes in Net Assets</b>		
<b>Net assets available to pay benefits at the beginning of the financial year</b>	5,571	5,401
Investment revenue	759	740
Contribution revenue	1,029	844
Other revenue	-	-
General administration expenses	(124)	(138)
Benefits paid	(1,223)	(1,287)
Taxation expense	10	11
<b>Net assets available to pay benefits at the end of the financial year</b>	6,022	5,571
<b>RBF PRBF Scheme</b>		
<b>Statement of Net Assets as at 30 June</b>		
Investments	7,515	6,038
Other assets	26	47
Total assets	7,541	6,085
Liabilities	(809)	(535)
Net assets available to pay benefits	6,732	5,550
<b>Statement of Changes in Net Assets</b>		
<b>Net assets available to pay benefits at the beginning of the financial year</b>	5,550	6,184
Investment revenue	903	896
Contribution revenue	663	703
Other revenue	408	(4)
General administration expenses	(252)	(129)
Benefits paid	(390)	(1,948)
Taxation expense	(150)	(152)
<b>Net assets available to pay benefits at the end of the financial year</b>	6,732	5,550

**Use the website at:**

www.rbf.com.au

**Phone us on:**

03 6233 3672 or 1800 622 631

**Fax us on:**

03 6233 3357

**Email us at:**

super@rbf.com.au

**Write to:**

Chief Executive Officer

Retirement Benefits Fund Board

GPO Box 446 HOBART TAS 7001

**Visit us at:**

Retirement Benefits Fund Board

39 Sandy Bay Road Hobart

**Personal interviews:**

Personal interviews available in Hobart, Launceston,

Burnie and Devonport, by appointment only.

To arrange an interview, phone 1800 622 631



The privacy of your personal information is important to RBF. We understand the need for confidentiality. RBF will hold your personal information securely and use it only for the purposes described in the RBF Privacy Statement. Certain personal information which you provide to RBF may be provided to your employing agency. RBF will not, however, provide your benefit entitlement information to your employer.

Service providers to the Board may also have access to confidential information held by the Board. The privacy of members is protected by confidentiality clauses contained in the agreements with such service providers. The RBF Privacy Statement is available on the RBF website at [www.rbf.com.au](http://www.rbf.com.au).

Every care has been taken with the information provided in this document. However, the RBF Board reserves the right to correct any errors or omissions. If there is a discrepancy between the information contained in this document and the Tasmanian Accumulation Scheme Trust Deed or the governing legislation, the Trust Deed and the legislation will be the final authority. The information contained in this document is not intended as investment advice and the RBF Board recommends that readers seek professional advice before making any investment decision.

**Compliance Report:** The Tasmanian Government is a signatory to a Heads of Government Agreement between the Commonwealth and all the states which provides exemption for certain public sector schemes from the provisions of the Superannuation Industry (Supervision) legislation (SIS). However, the exempt schemes have agreed to comply with the spirit and intent of SIS.

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