

# RBF Member Report

## 2010–11



## Letter from the President

Dear Members

The major issues that confronted all of us over the past year included:

- (a) the significant and ongoing market volatility, both domestically and globally;
- (b) the domestic economy's subdued performance in equity and other returns, notwithstanding the apparent mining boom and higher Australian dollar; and
- (c) at a business level, completion of the outsourcing project to Mercer (Australia) Pty Ltd (Mercer).

Despite the volatility, investment markets did improve from previous years. The Australian share market was up more than 10% over the 12 month period to 30 June 2011. With this, there is continued confidence in RBF's investment performance with a solid result for the 2010-11 financial year.

During 2010–11, we enhanced our Member Investment Choice (MIC) options to provide you with greater flexibility to choose an investment option (or options) to suit your own financial needs. Members with an Investment Account, an Allocated Pension Account or a Term Allocated Pension Account now can access MIC, with ten different investment options available.

Investment Returns for the year were healthy across all Member Investment Choice options and slightly above long-term expectations. The RBF Actively Managed choice option (the default option) returned 8.31% after all fees and taxes. This equates to a 9.21% return for those invested in the Allocated Pension Account RBF Actively Managed choice option. After-tax returns for all other investment options (except for RBF Cash and RBF Socially Responsible Investments) were in the range of 7% – 9%.

With continued volatility into the new financial year, we are keeping a close eye on investment performance and management of the fund. Our strong focus is to implement our carefully planned and considered Investment Strategy which is based on thorough research, disciplined decision making, asset diversification and sector specialist managers. Our aim is to protect you from as much of the market volatility as possible whilst maintaining a strong focus on returns over the long term.

The relationship with Mercer continues to grow. Mercer assumed responsibility for the delivery of essential day-to-day processing and support services for RBF superannuation schemes and for the RBF Enquiry Line from 2 May 2011.

I appreciate that the change to Mercer has come with some disruption to normal services. Thank you for your patience both during and subsequent to the transition period. Whilst this was a challenging period, once completed, with all long standing data issues resolved, RBF will be in a much stronger position to focus on improving our service offerings and providing you with enhanced products and services.

Our dedicated staff remain available to assist you at a convenient time and place. You have the opportunity for face-to-face contact either through our Business Relationship Officers visiting your workplace, or by coming into our offices in Burnie, Devonport, Launceston or Hobart to meet with Member Services staff. Appointments are readily available so wherever you are, we are able to help.

RBF is here to support your lifetime financial peace of mind. On behalf of the Board, I would like to assure you we remain committed to delivering you the best investment products and services to meet your needs now and during your retirement.

Yours sincerely



Damian Egan  
**PRESIDENT**



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## On the cover

Sonja (Nurse Unit Manager),  
RBF member



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## Highlights

### 2010–11

#### The new RBF culture

With the arrival of our new CEO in 2010, a fresh approach has been brought to RBF with increased focus on service improvements and a culture of continuous improvement.

New key management appointments and internal restructuring has aligned the organisation toward a membership-focused business model with increased transparency and efficiency.

A dedicated team of knowledge and training professionals has supported the organisation's drive toward a service excellence culture. This has been further supported by targeted cultural change programs that commenced during 2010-11 which have delivered a sense of purpose for staff and help ensure RBF's status as a future employer of choice.

“

**It's essential to gain superannuation information and advice leading up to your retirement. RBF Financial Planning provided me with valuable retirement planning advice. They can then organise a personal interview, no matter where you are in the state.**

Robin (Retiree), RBF member

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#### About the Chief Operations Officer

Mr Nick Connor was appointed as the Chief Operations Officer on 4 January 2011.

Nick is a highly respected executive with over 20 years' management experience in the Tasmanian financial services industry. He is an active member of the Tasmanian business community and has served as a director on various boards, including as an inaugural director of RBF-TAS Planning (now RBF Financial Planning Pty Ltd).

Nick holds Certified Financial Planner status with the Financial Planning Association, has a Bachelor of Education and Masters of Business Administration from the University of Tasmania, and is a Fellow of the Australian Institute of Company Directors (AICD).

Nick is well known in yachting circles and has represented Australia on three occasions, winning both World and Australian titles. As a committee member of the Sandy Bay Sailing Club, Nick now spends his Saturdays coaching young members in racing techniques.

He is also the Director of the Tasmanian Community Foundation, a philanthropic organisation that assists in supporting projects within the Tasmanian community.

Now that Nick has joined the RBF team, his priority is to ensure that the new RBF is operationally structured to be an efficient and responsive member-focused organisation. The task of defining our new 'Future State' and developing an integrated Operations Business Plan are his first priorities in pursuit of these goals.



#### About the Chief Investments Officer

Dr Ian Lundy was appointed as the Chief Investments Officer on 15 March 2011.

Ian's expertise will see him work with RBF's Investment Committee and Investment Management Division to implement the investment strategy for RBF members. His number one priority is to attain the best risk-adjusted returns in order to optimise investment outcomes for RBF members.

Ian started in the investment industry in 1996 and joins RBF from Forte Investment Advisors in Melbourne, a niche consulting firm he established and managed from 2005 to 2009 where his particular focus was on Asian equity managers and hedge funds. He consulted to microcap manager Acorn Capital in 2010.

Ian holds a BSc (Hons) in Statistics and PhD in Applied Mathematics and is currently studying towards an Executive MBA at the Australian Graduate School of Management.

## Outsourcing

At RBF, we are working hard to continuously improve our services to members. We are focussed on developing products that are of value to members and which will improve our long term competitiveness through being able to maintain lower costs.

On 28 April 2010, the RBF Board approved a detailed submission recommending the decision to partner with Mercer (Australia) Pty Ltd, the broad parameters of the members' administration and external communication services to be outsourced to Mercer and a timetable to achieve transition to Mercer by 30 June 2011. On 30 April 2010, the President of the RBF Board and the RBF CEO addressed a meeting of all RBF staff to inform them of the impending changes and an extensive communications plan was initiated.

In response to the RBF Board's decision, an Outsourcing Project was established with the objective 'To transition the administration services from RBF to Mercer (Australia) Pty Ltd before 30 June 2011'. Mr Tim Baker was appointed Program Manager for the project.

The Outsourcing Project was designed in two phases.

- ▶ Phase 1 – Planning and Design - partially completed at June 2010
- ▶ Phase 2 – Operational Installation - five stages, due for completion of the Transition Stage before 30 June 2011 and full completion by June 2012
  - ▶ Stage 1 - Initiation Stage
  - ▶ Stage 2 - Detailed Design, Configuration and Transition
  - ▶ Stage 3 - Transition Stage
  - ▶ Stage 4 - Project Closure
  - ▶ Stage 5 - Outcome Realisation.

The decision to outsource member administration services to an external service provider posed significant change management challenges for both RBF staff and members. The Outsourcing Project was not only required to ensure that this complex task was achieved on time, on budget,



Wayne (Transport Inspector), RBF member

to the highest level of quality and to be relatively seamless to the RBF membership, but also to ensure that the reputation of RBF as the Tasmanian Government's superannuation fund was maintained.

The RBF Board recognised that the success of the Outsourcing Project was critical to addressing a number of serious weaknesses in the competitive position of RBF and securing RBF's future sustainability. As a consequence, the RBF Board committed sufficient resources to ensure an experienced and well resourced project team could be established to achieve the project outcomes. A qualified team was recruited, supported by specialist staff and consultants, and this had a significant impact on ensuring that the key objective of the project was achieved.

It is considered a credit to all involved that the Outsourcing Project team not only met the challenging objective of transition of administration services from RBF to Mercer before 30 June 2011, but also achieved this within acceptable risk tolerances and within budget.

The relationship between Mercer and RBF is documented in a detailed Agreement and agreed performance targets are documented in supporting schedules. Mercer must perform to those targets and will be accountable to the RBF Board.

## Business Relationship Officers in the field

RBF remains committed to providing flexible, professional and personal services to our membership. Our goal is to help members achieve lifetime financial peace of mind by taking care of their superannuation and financial planning needs.

Our Marketing and Communications Unit has continued to develop workplace services via our dedicated Business Relationship Officers (BROs). The BROs are knowledgeable and experienced professionals who bring RBF to workplaces across Tasmania.

As well as attending numerous workplaces, in 2010–11, the BROs attended conferences and trade shows including:

- ▶ Australian Nursing Federation
  - ▶ Annual Delegates Conference
  - ▶ Financial Literacy for Women and Retirement Seminars
- ▶ Australian Education Union
  - ▶ West Coast Personal Development Day
  - ▶ Representatives Annual Conference 2010
  - ▶ Support Staff Annual Conference 2010
  - ▶ New Educators Conference 2010
  - ▶ Educational Psychologists Conference 2010
  - ▶ Financial Literacy Seminars
  - ▶ Representatives Training Program
  - ▶ Employee Safety Representatives Training Day
- ▶ Community and Public Sector Union
  - ▶ Conferences in Devonport, Launceston and Hobart
  - ▶ Seminars around the state
  - ▶ Training for Organisers in Hobart
- ▶ Department of Education
  - ▶ School Psychologists Personal Development Forum
  - ▶ Regional Staff Training Days
  - ▶ Regional New Employees Induction Days
  - ▶ Regional Principals Meetings
- ▶ Department of Justice
  - ▶ Induction Sessions
- ▶ Department of Premier and Cabinet
  - ▶ New Employee Inductions
- ▶ Department of Primary Industries, Parks, Water and the Environment
  - ▶ Workshops in Devonport, Launceston, New Town and Hobart
- ▶ Forestry Tasmania
  - ▶ Redundancy Presentations
- ▶ Health and Community Services Union
  - ▶ Annual Delegates Conference
- ▶ Metro Tasmania
  - ▶ Seminars at Hobart, Launceston and Burnie
- ▶ Police Association of Tasmania
  - ▶ Conference
- ▶ Public Trustee
  - ▶ Seminars around the state
- ▶ United Voice (previously Liquor Hospitality and Miscellaneous Union)
  - ▶ Tasmanian Fire Service
    - ▶ Workplace Forums
  - ▶ Tasmania Police
    - ▶ Graduation Ceremony
    - ▶ Leaders Convention
    - ▶ Induction Sessions
  - ▶ Tasmanian Principals Association
    - ▶ Annual Conference
    - ▶ Statewide Meetings
  - ▶ Tasmanian School Administrators Association
    - ▶ Annual Conference
  - ▶ TasRail
    - ▶ Seminars



Louise Pybus, Phil Claxton and Stephen Hevey,  
RBF's Business Relationship Officers

The BROs also ran a number of question and answer sessions in workplaces all around Tasmania.

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## Keeping you informed

### Information services

Information about RBF products and services is provided through quarterly newsletters, the annual Member Report as well as the RBF website.

RBF makes the annual Member Report available to all members online. If members let us know that they would prefer a printed copy, one will be mailed to them.

### RBF Enquiry Line

Members can call the RBF Enquiry Line on **1800 622 631** to speak with staff trained and up to date with RBF's superannuation scheme rules.

### Personal service

When a phone call is not enough, members can book an interview, via the RBF Enquiry Line, with one of RBF's Superannuation Consultants who will devote their time to making sure members understand their super before they need to make a decision. Personal services are provided on a state wide basis, with offices located in Hobart and Launceston, together with member interviews provided in Devonport, Burnie and other regional workplaces upon request.

### Workplace visits

Business Relationship Officers (BROs) provide information to employee and employer stakeholders in public sector workplaces throughout Tasmania. BROs are also able to organise for Superannuation Consultants and financial planners to conduct personal face to face interviews for members in workplaces throughout Tasmania.



Leanne (Communications Officer), RBF member

RBF encourages members to invite an RBF representative to visit their workplace and provide a formal information session on a particular topic or simply have a general discussion on super, taking questions from the group.

Members who would like to invite an RBF Business Relationship Officer to their next staff meeting, conference, or professional development day can contact us by calling the RBF Enquiry Line on **1800 622 631**.

### Financial advice for members

RBF Financial Planning Pty Ltd provides financial planning advice to RBF members and their spouses. RBF Financial Planning is a wholly owned subsidiary of RBF. The Financial Planners are employees of RBF Financial Planning Pty Ltd and are specialists at providing advice about:

- ▶ RBF schemes
- ▶ wealth accumulation planning
  - ▶ managed investments
  - ▶ shares
  - ▶ superannuation
  - ▶ standard margin lending
- ▶ portfolio review services
- ▶ salary packaging
- ▶ personal insurance (e.g. life insurance)
- ▶ aged care and Centrelink matters.

RBF Financial Planning offers an ongoing service package which is aimed at assisting RBF members and their spouses to improve their financial situation and increase the likelihood that they meet their needs and objectives as they progress through life.

RBF Financial Planning charge members on the basis of a fee for service. Financial Planners are all paid a salary and do not receive bonuses or commissions.

All Financial Planners are licensed Authorised Representatives of RBF Financial Planning Pty Ltd, hold formal qualifications in financial planning and have extensive experience in superannuation.

Members can request financial advice from RBF Financial Planning by calling the RBF Enquiry Line on **1800 622 631** or by calling RBF Financial Planning on 1300 378 057. To get the most from the services offered by RBF Financial Planning Pty Ltd members are encouraged to first attend a personal interview with an RBF Superannuation Consultant.

RBF Financial Planning Pty Ltd (ABN 17 094 816 412, AFS Licence No 239171) is a wholly owned subsidiary of RBF and operates as separate legal entity.

## Feedback and complaints

RBF and RBF Financial Planning Pty Ltd welcome all feedback from our members as it allows RBF to acknowledge staff doing a great job and to improve our service where required.

### RBF Complaint

At RBF we strive to ensure our members receive the best possible service at all times, but sometimes our service might not meet your expectations. For this reason, RBF has a comprehensive complaint process to address member concerns.

Members who may be unhappy with the way RBF has handled an administrative matter are encouraged to contact the RBF Enquiry Line on **1800 622 631** and explain their concerns. We are keen to ensure our service is of the highest quality at all times and will assist members in finding an acceptable resolution.

Where the member's concerns have not been addressed, they can write to:

RBF Complaint  
Retirement Benefits Fund Board  
GPO Box 446  
HOBART TAS 7001

If a member's complaint has been investigated and they are not satisfied with the response provided by RBF, the member has the option of lodging a complaint with the Tasmanian Ombudsman. The Ombudsman can be contacted via email at **ombudsman@ombudsman.tas.gov.au** or by calling **1800 001 170**.

Further information about RBF's complaint process can be found at **www.rbf.com.au** or by contacting RBF.

### RBF Financial Planning Complaint Process

Contact your RBF Financial Planner about your complaint on 1300 378 057.

If your complaint is not resolved to your satisfaction within five days, please contact:

The Responsible Manager on  
1300 378 057

**or**

Put your complaint in writing and send it to:

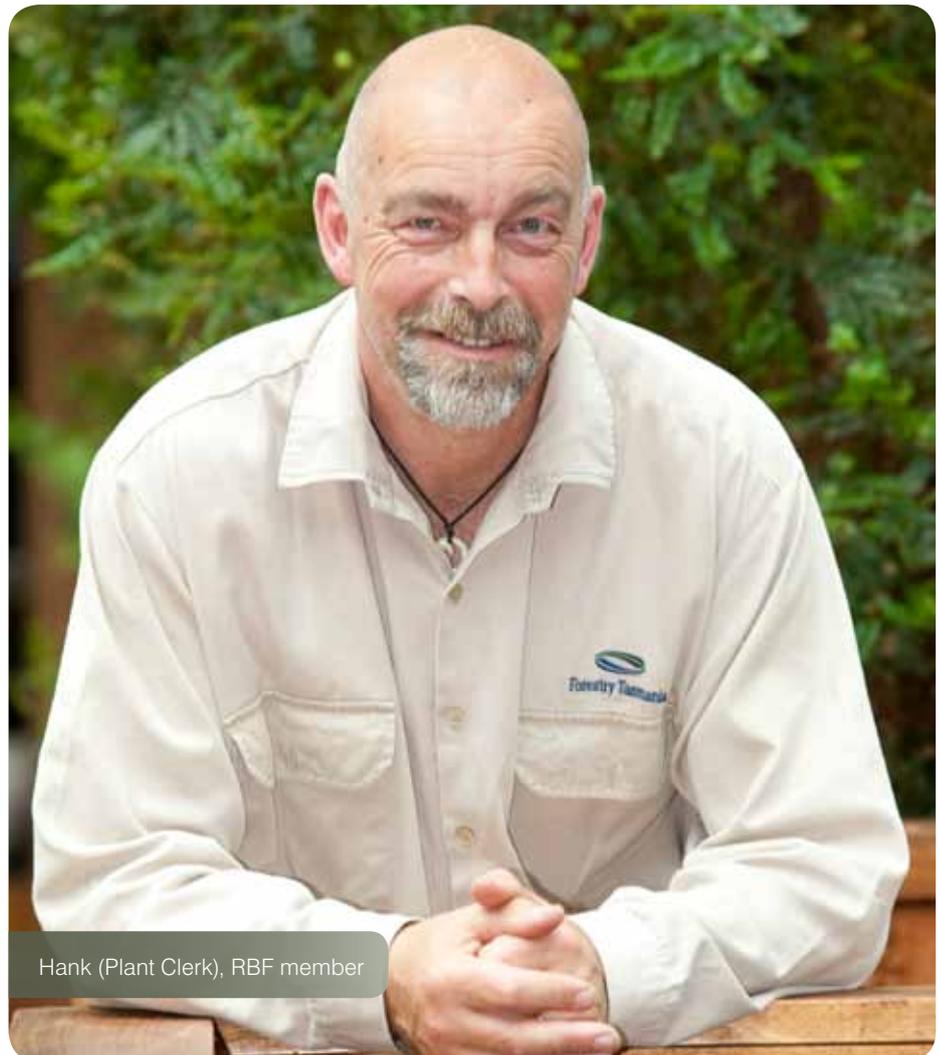
The Responsible Manager Complaints  
RBF Financial Planning Pty Ltd  
GPO Box 1447  
HOBART TAS 7001

If the complaint is not resolved to your satisfaction, you can take your complaint to the Financial Ombudsman Service (FOS). The FOS can be contacted on 1300 780 808. This service is provided to you free of charge. RBF Financial Planning Pty Ltd is a member of FOS.

The Australian Securities and Investments Commission (ASIC) website also contains useful information in relation to the types of complaints handled by ASIC. To obtain further information, contact the ASIC on 1300 300 630 or visit [www.asic.gov.au](http://www.asic.gov.au)

If your concerns involve unethical conduct, you can raise your concerns by writing to the Financial Planning Association of Australia:

PO Box 109  
Collins Street West  
Melbourne VIC 8007



Hank (Plant Clerk), RBF member

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## Your membership benefits

At RBF, members benefit through:

- ▶ personal face to face service
- ▶ workplace visits
- ▶ lower fees with no entry or exit fees
- ▶ all profits paid to members
- ▶ consistent long-term investment performance.

RBF makes it easy for members to:

- ▶ meet with an RBF representative
- ▶ obtain financial advice relevant to your specific needs
- ▶ make personal contributions or salary sacrifice to super through payroll deductions
- ▶ personalise investment options online and view account details
- ▶ open an Investment Account for your spouse.

RBF also provides Death and Incapacity Cover.

### Secure the future with RBF

No matter which RBF scheme members belong to, they can secure their future with RBF super.

RBF encourages members to:

- 1. Know their super scheme:**  
by learning how their benefit is calculated, they will know how to improve their super.
- 2. Plan:**  
the old saying is true, if you plan nothing, nothing happens. Members are encouraged to plan to save and to maximise the benefits available through their superannuation. RBF can show members how.
- 3. Stay in touch:**  
by reading Member Benefit Statements and newsletters and visiting the RBF website [www.rbf.com.au](http://www.rbf.com.au)
- 4. Ask more questions**

### Selecting a contribution method

There are two different methods of contributing to RBF super schemes. Members can make payments from after-tax salary (personal contributions) or have their employer make payments on their behalf (salary sacrifice).

Every member's financial circumstances are different, so what is right for someone may not be right for another member. Every member should consider their own situation when choosing their contribution method. Members can contact RBF to discuss their options, or use the calculators on the RBF website to help make decisions.

For many members, converting personal contributions into salary sacrifice creates a tax saving that can be used to increase their contribution rate.

Salary sacrifice is widely recognised as an effective way to make contributions to super, and members should carefully consider its benefits. By using the calculator on the RBF website, members can see how much extra they can be contributing by using salary sacrifice.

### Contribution limits

Contribution limits are now in place for all types of contributions to super, specifying the maximum amount members can contribute to super in any year, even if they contribute to more than one account.

### Employer (concessional) contributions

There is a limit on how much an employer can contribute to a member's super fund each year. If the employer contributions limit is exceeded, the member will have to pay tax on the excess contributions at the top marginal income tax rate plus Medicare levy.

This limit covers all concessional contributions which include contributions from employers, including Superannuation Guarantee payments, as well as salary sacrifice and any contributions for which the member intends to claim a tax deduction. The concessional contributions to defined benefit schemes are calculated using a formula and are also included in the limit.



Ann (Ministerial Officer),  
RBF member



“  
**I feel secure that my financial future is taken care of by RBF. Their regular communications keep me informed.**  
 Hannah (Administration Officer), RBF member  
 ”

**Employer (concessional) contributions limit**

<b>Age under 50</b>	\$25,000 per year
<b>Age 50 to 75</b>	Up to \$50,000 per year (transitional arrangement from 1 July 2007 to 30 June 2012)

**Member (non-concessional) contributions**

There is a limit on how much a member can contribute in non-concessional contributions to their super each year. The personal non-concessional contribution limit is \$150,000 each year or \$450,000 over three years for members under the age of 65. These limits apply to the total amount of non-concessional contributions made by one person, even if they contribute to more than one account or super fund.

Contributions that exceed the three-year non-concessional contribution limit cannot be accepted and will be returned to the member.

Contributions covered by the limit include personal contributions made from after-tax salary, lump sum deposits, spouse contributions and any excess concessional contributions. Rollovers and the Government component of Super co-contributions do not count towards the limit.

**Personal (non-concessional) contributions limit**

<b>Age under 65</b>	\$150,000 per year per person or \$450,000 over three years
<b>Age 65 and over</b>	\$150,000 per year per person after passing a work test

Members can choose how their money is invested.

Members with the following accounts have access to Member Investment Choice (MIC):

- ▶ Investment Account
- ▶ RBF-TAS SG Account\*
- ▶ Allocated Pension Account
- ▶ Term Allocated Pension Account.

With MIC, members can choose an investment strategy to suit their individual needs. MIC offers a broad range of investment options with different levels of projected risk and return.

Members can choose to invest in one investment option, or in a number of options, and can switch between options. Where an entire account balance is rolled over or transferred, investment returns are not applied during the processing period. In peak processing times, this may be between six to thirteen days. Members who do not choose an investment option will have their investments allocated to the RBF Actively Managed option. This is RBF's default option.

\* RBF-TAS SG Accounts have been referred to, and consolidated with, Investment Accounts since 29 April 2011.

**Death and Incapacity Cover**

Generally, members are automatically entitled to Death and Incapacity Cover if they are:

- ▶ a Tasmanian public sector employee; and
- ▶ under age 60 (under age 65 for Tasmanian Ambulance Service Superannuation Scheme members); and
- ▶ have a Tasmanian Accumulation Scheme account or are a member of the following schemes:
  - ▶ Contributory Scheme
  - ▶ State Fire Commission Superannuation Scheme (SFCSS)
  - ▶ Tasmanian Ambulance Service Superannuation Scheme (TASSS)
  - ▶ Parliamentary Superannuation Fund
  - ▶ Parliamentary Retiring Benefits Fund.

Members who have a Tasmanian Accumulation Scheme account can adjust the level of cover to suit their individual circumstances.

Members of the Contributory Scheme are entitled to limited cover until they successfully pass a medical examination or make contributions to the scheme for 10 years. There are certain circumstances where contributory service and the payment of contributions would not count toward the 10 years, please contact the RBF Enquiry Line on **1800 622 631** for more information.

RBF may pay a benefit if a member with Death and Incapacity Cover is unwell or injured and cannot work for a short period of time. The benefit paid may equal up to 75% of their salary for up to two years. This Temporary Incapacity Pension is available up to age 60 for most members. For members of TASSS or SFCSS, Temporary Incapacity Cover continues until age 65.

## Retirement products

RBF provides a range of retirement products including a Life Pension and Allocated Pension, or members can simply manage their money using their Investment Account.

### Allocated Pension

An Allocated Pension can be the key to a successful financial future. With an Allocated Pension members invest a lump sum and then choose a pension amount that suits their individual retirement needs. This amount must meet the minimum limit set by Commonwealth legislation. Cash withdrawals are also permitted from Allocated Pension Accounts.

Members who commence an Allocated Pension as part of Transition to Retirement cannot receive more than 10% of the account balance as their annual pension payment and cash withdrawals are not permitted. These restrictions will be lifted when a member fully retires or attains the age of 65.

As at 30 June 2011, 1,345 members were receiving an Allocated Pension.

### Life Pension

With a Life Pension, RBF will pay the member an income for the rest of their life. If the member chooses to commence a reversionary pension, RBF will continue to pay two thirds of the Life Pension to their surviving spouse for the rest of their life following the member's death.

The surviving spouse also has the option to commute all or part of the Life Pension to a lump sum at that time. Depending on how long a member and their spouse lives, the Life Pension might provide more income than they would have received as a lump sum benefit.

Generally, members can take a Life Pension if they have maintained continuous membership with RBF since before 15 May 1999. Members should talk to RBF if they are unsure about their entitlement.

As at 30 June 2011, 8,177 members were receiving a Life Pension.

Life Pensions are adjusted twice each year in line with changes in the Consumer Price Index (CPI). If the CPI is negative, the adjustment is deemed to be zero. During the 2010-11 financial year the CPI adjustments approved by the RBF Board were as follows:

<b>1 July 2010</b>	1.42%
<b>1 January 2011</b>	1.35%

### Lump sum benefit

When members retire after reaching preservation age, they have the option of taking the retirement benefit as a lump sum. The balance can be placed in the Investment Account for as long as the member wishes. Members should give careful consideration to funding their future needs if they withdraw all of their retirement savings from super.

Many members withdraw a small lump sum to pay for specific items at retirement and also establish an income stream to secure their financial future.

### Simpler tax on super

No matter how members access their super at retirement, the good news is that all members will pay less tax and some members will pay no tax after age 60. By understanding how the tax rules affect their super, members can make the most of it.

#### **Tasmanian Accumulation Scheme, Investment Account, Tasmanian Ambulance Service Superannuation Scheme, State Fire Commission Superannuation Scheme and Parliamentary Retiring Benefits Fund**

Super benefits coming from these fully taxed superannuation schemes are exempt from tax when the member reaches the age of 60. Members who retire and access their super before they are 60 will continue to pay some tax until their 60th birthday.

#### **Contributory Scheme and Parliamentary Superannuation Fund**

Members of these partly taxed schemes will continue to pay tax when they access their super, even after the age of 60. Tax will be payable on up to 75% of members' Contributory Scheme benefits. This represents the employer component of the final benefit, on which contributions tax has not been paid. After the member reaches age 60, they will pay a lower rate of tax on lump sum withdrawals. Pension payments will receive a 10% offset against this part of the benefit. The remaining employee component of the benefit will be tax-free after reaching age 60, based on current legislation.

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## Schemes, accounts and products

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

Members can refer to page 7 to find out about the many benefits their superannuation scheme has to offer.

**Tasmanian Accumulation Scheme** – for people employed in the Tasmanian public sector from 15 May 1999 and other employees who do not have alternative superannuation arrangements. All new employees engaged in the Tasmanian public sector are able to become members of RBF by joining the Tasmanian Accumulation Scheme.

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

**State Fire Commission Superannuation Scheme (SFCSS)** – for full time permanent uniformed employees who started employment in the Tasmanian Fire Service before 1 July 2005. The SFCSS was incorporated into RBF as a sub-fund from 1 May 2006.

**Tasmanian Ambulance Service Superannuation Scheme (TASSS)** – for permanent employees who started employment with the Tasmanian Ambulance Service before 30 June 2006. The TASSS was incorporated into RBF as a sub-fund from 30 June 2006.

**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 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 Superannuation Guarantee contributions for Tasmanian Accumulation Scheme members are invested. RBF-TAS SG Accounts have been referred to, and consolidated with, Investment Accounts since 29 April 2011.

**Investment Account** – an account in which Superannuation Guarantee contributions for Tasmanian Accumulation Scheme members and all personal contributions, rollovers, additional employer contributions, salary sacrifice and super co-contributions are invested.

**Allocated Pension Account** – an account for superannuants who have elected to invest in an Allocated Pension.

**Term Allocated Pension Account** – an account for superannuants who have elected to invest in a Term Allocated Pension. New accounts ceased being created after 20 September 2007.

**Compulsory Preservation Account** – an account for notional preserved unfunded benefits.

### RBF membership statistics

Schemes and accounts	30/06/2010	Entrants	Exits	30/06/2011
<b>Tasmanian Accumulation Scheme*</b>	68,973	3,093	2,796	69,270
<b>Contributory Scheme</b>	9,653	0	75	9,578
<b>State Fire Commission Superannuation Scheme</b>	116	0	0	116
<b>Tasmanian Ambulance Service Superannuation Scheme</b>	161	0	0	161
<b>Parliamentary Superannuation Fund</b>	3	0	1	2
<b>Parliamentary Retiring Benefits Fund</b>	7	0	0	7
<b>Compulsory Preservation Account</b>	16,190	2	693	15,499
<b>Life Pension</b>	8,215	4	42	8177
<b>Allocated Pension</b>	1,165	294	114	1345
<b>Term Allocated Pension</b>	30	0	0	30

\* RBF-TAS SG Accounts have been referred to, and consolidated with, Investment Accounts since 29 April 2011.

## Summary of schemes managed by RBF

Features	Contributory Scheme	Tasmanian Accumulation Scheme
<b>Brief description of benefit</b>	<p>An unfunded defined benefit scheme where, for the majority of benefits paid, the final benefit depends on:</p> <ul style="list-style-type: none"> <li>▶ the average salary over the last three years worked in the public sector</li> <li>▶ the number of years for which contributions have been made to the scheme</li> <li>▶ the contribution rate(s) as a percentage of total 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 Superannuation Guarantee contributions deposited in the RBF-TAS SG Account*</li> <li>▶ the amount of employee contributions deposited in the Investment Account</li> <li>▶ the amount of any additional employer contributions, salary sacrifice contributions, spouse contributions or splits and/or Commonwealth Super Co-contributions deposited in the Investment Account</li> <li>▶ investment returns, net of fees and taxes, credited to the account</li> <li>▶ deduction of any insurance premiums and/or other fees.</li> </ul>
<b>Membership as at 30 June 2011</b>	9,578 members (decreased from 9,653 members as at 30 June 2010)	69,270 members
<b>Membership eligibility</b>	<p>A scheme for permanent employees and certain temporary or contract employees who commenced employment in the Tasmanian public sector before 15 May 1999, the date the scheme was closed to new and most existing public sector employees.</p> <p>Although closed to new employees the following employees have retained the right to become Contributory Scheme members:</p> <ul style="list-style-type: none"> <li>▶ permanent part-time employees employed before 1 July 1994 who have been continuously employed and have not previously elected to contribute;</li> <li>▶ married female employees employed before 1 July 1982 who have been continuously employed; and</li> <li>▶ persons who were permanent employees immediately before 1 April 1987 who have been continuously employed and previously denied contributory status on medical grounds.</li> </ul>	<p>A scheme for Tasmanian public sector employees, superannuants, Members of Parliament, Statutory Officers and spouses of RBF members.</p>
<b>Benefit options</b>	<p>Members who meet Commonwealth preservation requirements may take a lump sum benefit, a Life Pension, an Allocated Pension, or a combination of these.</p>	<p>Members who meet Commonwealth preservation requirements may take a lump sum benefit, an Allocated Pension, or a combination of these.</p> <p>Members who joined before 15 May 1999 may also take a Life Pension.</p>
<b>Contribution options</b>	<p>Members must contribute the equivalent of between 5% and 15% of their salary. Member Investment Choice does not apply to these contributions.</p> <p>Contributions may be made either as personal contributions, or by salary sacrifice.</p> <p>Members can make additional personal contributions and salary sacrifice contributions to the Investment Account, which has Member Investment Choice.</p> <p>All contributions are to be included in the concessional and non-concessional contribution limits according to contribution type.</p>	<p>Members can make personal contributions and salary sacrifice contributions to the Investment Account.</p> <p>Members have access to Member Investment Choice.</p> <p>All contributions are to be included in the concessional and non-concessional contribution limits according to contribution type.</p> <p>The spouse of an RBF member cannot direct their superannuation guarantee contributions to a Tasmanian Accumulation Scheme account.</p>

\* RBF-TAS SG Accounts have been referred to, and consolidated with, Investment Accounts since 29 April 2011.

## Summary of schemes managed by RBF (continued)

Features	Contributory Scheme	Tasmanian Accumulation Scheme
<b>Death and Incapacity Cover</b>	<p>For interim invalidity, a pension of up to 75% of the salary received in the past year is available for up to two years.</p> <p>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 a Life Pension.</p> <p>On death, a lump sum benefit is paid which can be converted to a Life or Allocated Pension by the surviving spouse.</p> <p>Terminally ill members who are likely to die within 12 months can elect to receive a lump sum.</p> <p>The insurance premium is 0.35% of a member's salary. This amount is deducted each fortnight from the member's account.</p> <p>Members have limited Ill Health and Death Benefits until the member passes a Board approved medical examination or has contributed to the scheme for ten years at which time full benefits status is achieved.</p>	<p>For Temporary Incapacity, a pension of up to 75% of the salary received in the past year is available for up to two years.</p> <p>For Permanent Incapacity, the benefit can be taken as a lump sum, an Allocated Pension or a combination.</p> <p>Members who joined before 15 May 1999 can also take the benefit as a Life Pension.</p> <p>On death, a lump sum benefit is paid.</p> <p>Variable Death and Incapacity Cover is available from 0% to 300%. Members may elect to have no cover.</p> <p>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*.</p>
<b>Investment returns</b>	<p>The investment return 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.</p> <p>Investment returns (net of charges) for the 2010–11 financial year were:</p> <ul style="list-style-type: none"> <li>► 1/07/2010 – 30/09/2010 – -0.54%</li> <li>► 1/10/2010 – 30/06/2011 – -3.45%</li> </ul> <p>Generally, investment returns do not affect the level of benefits for Contributory Scheme members as benefits are based on a formula linked to salary, service and contribution rate(s).</p>	<p>Investment returns are set weekly and are based on the most recent net investment returns. Member account balances are adjusted in line with these returns each week.</p> <p>The different investment returns for each Member Investment Choice option are available on the RBF website <a href="http://www.rbf.com.au">www.rbf.com.au</a> and on flyers available from RBF.</p>
<b>Fees</b>	<p>No fees are payable by the member. The scheme funds all fees.</p> <p>Generally, the fees funded by the scheme do not affect the benefits paid to members.</p> <p>For the year in review administration fees were 1.03% whilst investment management fees were 0.61% from 1 July 2010.</p>	<p>An administration fee and an investment management fee are charged. Each Member Investment Choice option has a different investment management fee.</p> <p>The administration fees for different accounts are provided on page 16. The different investment management fees are provided on page 29.</p> <p>Information about fees is published on the RBF website <a href="http://www.rbf.com.au">www.rbf.com.au</a> and on RBF investment performance flyers.</p>

\* RBF-TAS SG Accounts have been referred to, and consolidated with, Investment Accounts since 29 April 2011.

## Summary of schemes managed by RBF (continued)

Features	State Fire Commission Superannuation Scheme (SFCSS)	Tasmanian Ambulance Service Superannuation Scheme (TASSS)
<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>▶ salary (not including overtime and allowances for rent)</li> <li>▶ the number of years for which contributions have been made to the scheme.</li> </ul>	<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 year of membership worked</li> <li>▶ the contribution rate(s) used to deduct contributions from salary</li> <li>▶ the number of years for which contributions have been made to the scheme.</li> </ul>
<b>Membership as at 30 June 2011</b>	116 members (same as at 30 June 2010)	161 members (same as at 30 June 2010)
<b>Membership eligibility</b>	<p>Membership is generally limited to full time permanent uniformed employees who elected to join and who started employment with the Tasmanian Fire Service prior to 1 July 2005.</p> <p>The SFCSS was closed to new members from 1 July 2005.</p>	<p>Membership is generally limited to permanent employees who elected to join and who started employment with the Tasmanian Ambulance Service prior to 30 June 2006.</p> <p>The TASSS was closed to new members from 30 June 2006</p>
<b>Benefit options</b>	<p>Members who meet Commonwealth preservation requirements may take a lump sum benefit.</p> <p>Members who roll over their scheme benefits into the Investment Account may take a lump sum, an Allocated Pension, or a combination of these.</p>	<p>Members who meet Commonwealth preservation requirements may take a lump sum benefit.</p> <p>Members who roll over their scheme benefits into the Investment Account may take a lump sum, an Allocated Pension, or a combination of these.</p>
<b>Contribution options</b>	<p>Members contribute 5% of their salary. Member Investment Choice does not apply to these contributions.</p> <p>Contributions may be made either as personal contributions or by salary sacrifice.</p> <p>Additional personal contributions and salary sacrifice contributions may be made to the Investment Account, which has Member Investment Choice.</p> <p>All contributions are to be included in the concessional and non-concessional contribution limits according to contribution type.</p>	<p>Members must contribute between 5% and 11% of their salary. Member Investment Choice does not apply to these contributions.</p> <p>Contributions may be made either as personal contributions or by salary sacrifice.</p> <p>Additional personal contributions and salary sacrifice contributions may be made to the Investment Account, which has Member Investment Choice.</p> <p>All contributions are to be included in the concessional and non-concessional contribution limits according to contribution type.</p>
<b>Death and Incapacity Cover</b>	<p>For Temporary Incapacity, a pension of up to 75% of salary (as defined by the underwriter) is available for up to two years.</p> <p>For Total and Permanent Incapacity, the benefit can be taken as a lump sum, an Allocated Pension or a combination of these.</p> <p>On death, a lump sum benefit is paid.</p> <p>The insurance premium for Death and Incapacity Cover is met by the scheme. No deductions are made for premiums from member accounts.</p>	<p>For Temporary Incapacity, a pension of up to 75% of salary (as defined by the underwriter) is available for up to two years.</p> <p>For Total and Permanent Incapacity, the benefit can be taken as a lump sum, an Allocated Pension or a combination of these.</p> <p>On death, a lump sum benefit is paid.</p> <p>The insurance premium for Death and Incapacity Cover is met by the scheme. No deductions are made for premiums from member accounts.</p>

## Summary of schemes managed by RBF (continued)

Features	State Fire Commission Superannuation Scheme (SFCSS)	Tasmanian Ambulance Service Superannuation Scheme (TASSS)
<b>Investment returns</b>	<p>The investment return 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.</p> <p>The net earning rate for the year ending 30 June 2011 was 8.63%.</p>	<p>The investment return 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.</p> <p>Generally, the investment return does not affect the level of benefits for TASSS members as benefits are based on a formula which is linked to salary, service and contribution rate.</p> <p>The net earning rate declared for the year ending 30 June 2011 was 8.63%.</p>
<b>Fees</b>	<p>No fees are payable by the member. The scheme funds all fees.</p> <p>Generally, the fees funded by the scheme do not affect the benefits paid to members.</p> <p>Administration fees are based on the actual costs of administering the scheme.</p> <p>Investment management fees were 0.62% from 1 July 2010.</p>	<p>No fees are payable by the member. The scheme funds all fees.</p> <p>Generally, the fees funded by the scheme do not affect the benefits paid to members.</p> <p>Administration fees are based on the actual costs of administering the scheme.</p> <p>Investment management fees were 0.63% from 1 July 2010.</p>



“  
**My school's relationship with RBF's Business Relationship Officer, allows my staff to play an active role in managing their financial future.**  
 Andrew (Principal), RBF member  
 ”

## 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 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.

## Compulsory Preservation Account

The Compulsory Preservation Account is where notional preserved, unfunded benefits are recorded. Members may have a Compulsory Preservation Account if they left:

- ▶ the Contributory Scheme; or
- ▶ the Non-contributory Scheme before reaching preservation age.

The legislation does not allow for this account to be funded or transferred to another scheme until the member reaches preservation age.

The balance of the Compulsory Preservation Account is indexed to whichever is the greater of inflation or movements in average wages. In 2010–11, indexation rates for the Compulsory Preservation Account were:

- ▶ 1 July 2010 to 31 December 2010  
6.702% pa (6.495% fortnightly compound rate) for the six month period
- ▶ 1 January 2011 to 30 June 2011  
2.708% pa (2.674% fortnightly compound rate) for the six month period.

The rate is currently set at 5.230% pa (5.103% fortnightly compound rate) until 31 December 2011, at which time it will be reviewed.

As at 30 June 2011, 15,499 members held Compulsory Preservation Accounts.

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

When the member reaches preservation age, the member's previous employer will fund the Compulsory Preservation Account and RBF will transfer the money into the Investment Account. The member will then be able to select an investment option using Member Investment Choice (MIC).

Once in the Investment Account, the benefit will accrue at the investment return for the MIC options selected. This will continue until retirement or commencement of a Transition to Retirement income, when RBF will pay the benefit. Members with a Compulsory Preservation Account are entitled to receive a Life Pension at retirement.

## Investment Account

The Investment Account is an accumulation-style account into which employer Superannuation Guarantee contributions are paid. In addition members can make additional contributions to their super into the Investment Account.

At 30 June 2011, there were 69,720 Investment Accounts open with more than \$2.09 billion of members' retirement savings.

Personal contributions can be made as automated payroll deductions, BPAY® from a bank account, or lump sum deposits.

While the account holder remains a Tasmanian public sector employee, they can also make salary sacrifice (concessional) contributions through an agreement with their employer.

Personal contributions will be subject to the non-concessional contributions limit. Salary sacrifice contributions will be included in the annual concessional contributions limit.

## Member Investment Choice (MIC)

The Investment Account gives members control over how their money is invested. Members can choose from a range of investment options to suit their personal needs. More information on each of the options is available on the RBF website [www.rbf.com.au](http://www.rbf.com.au) or by contacting RBF directly on **1800 622 631**.

## Rollover super

To consolidate super accounts, members can rollover savings from other superannuation funds into the Investment Account. Rollovers from other funds are not included in contribution limits.

As with all superannuation accounts, all contributions and investment returns received after 1 July 1999 are preserved until the member reaches preservation age, retires from the workforce or satisfies another condition of release.

## Investment Account for the spouse of an RBF member

The spouse of an RBF member may be able to open a Spouse Investment Account. Spouses of RBF members can rollover their other super and continue to save for retirement with RBF. Spouses can also make personal contributions through regular bank deductions or lump sum deposits.

## Spouse contributions

If either a member or their spouse earns less than \$13,800 per annum and satisfies other criteria, the spouse earning the higher salary may be eligible to claim a tax offset for contributions to the low income earner's super account.



Ken (Radio Room Operator),  
RBF member

## Administration fees and costs

RBF's administration fees remained static during the year and continue unchanged into the 2011–12 financial year.

Under this fee structure, the lower of the two fees is payable only on that part of the account balance that is in excess of \$150,000. This means that the lower fee does not apply to the entire account balance.

The administration fees and thresholds are shown in the table below:

Account	Scale of fees for 2011–12	
	Part of account balance less than \$150,000 (% pa)	Part of account balance more than \$150,000 (% pa)
<b>RBF-TAS SG Account*</b>	0.45	0.20
<b>Investment Account</b>	0.45	0.20
<b>Allocated Pension</b>	0.45	0.20
<b>Term Allocated Pension</b>	0.45	0.20

\* RBF-TAS SG Accounts have been referred to, and consolidated with, Investment Accounts since 29 April 2011.

Administration costs for the defined benefit schemes are deducted directly from the Funds Under Management (FUM) in each scheme and are not paid from member accounts. The costs are represented as a percentage of FUM in each scheme.

The table below shows the administration costs based on budget forecasts for the 2011–12 financial year:

Defined benefit scheme	Administration costs 2010–11 (% pa)	Predicted administration costs 2011–12 (% pa)
<b>Contributory Scheme</b>	1.03	1.22
<b>Parliamentary Superannuation Fund</b>	0.89	0.65
<b>Parliamentary Retiring Benefits Fund</b>	0.89	0.77
<b>State Fire Commission Superannuation Scheme</b>	2.15	1.12
<b>Tasmanian Ambulance Service Superannuation Scheme</b>	0.60	0.73

## 5

## Investment performance

Investment markets improved significantly with the Australian and International share markets up more than 10% and 3% respectively in Australian Dollar terms over the 12 months to 30 June 2011.

RBF continues to perform well compared to other funds with our carefully planned Investment Strategy protecting members from as much of the market volatility as possible while maintaining a strong focus on long-term returns.

The investment returns for RBF's default Member Investment Choice option, RBF Actively Managed, was 8.3% for 2010-11 for both the Investment Account and the RBF-TAS SG Account\*. Investment returns reflect the return paid to members after investment management fees and taxes. This is on par with the median return of balanced funds of 8.4% for the year according to the SuperRatings Fund Crediting Rate Survey.

### Tasmanian investments

RBF's internally managed Tasmanian investments in commercial mortgages and property continued to make a significant contribution to the performance of the Fund. RBF also owns 49.9% of Hobart International Airport.

Combined, these investments amount to \$323.1 million and represent 8.4% 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 mostly managed internally by RBF.

All investment managers are regularly reviewed and assessed against performance targets. RBF used the following consultants and service providers during 2010-11:

#### Investment Management and Asset Allocation

JANA Investment Advisors Pty Ltd

#### Taxation

Ernst & Young Australia  
Cath King & Associates

#### Actuarial

Mercer (Australia) Pty Ltd

#### Custodial

J P Morgan Worldwide Securities Services

#### Internal Audit

KPMG

#### Auditor

Tasmanian Auditor-General

### Member Investment Choice (MIC)

Members with an Investment Account, an RBF-TAS SG Account\*, an Allocated Pension Account or a Term Allocated Pension Account have access to MIC. Through MIC, RBF members can access ten different investment options as at 30 June 2011.

Following an assessment of our MIC options, five were closed in November 2010.

These were:

- ▶ State Street Balanced Index;
- ▶ State Street Australian Shares Index;
- ▶ Maple-Brown Abbott Balanced;
- ▶ Maple-Brown Abbott Australian Shares; and
- ▶ RBF Diversified Growth.

The asset allocation settings, performance objectives and the investment returns of the closed options and investment returns for the current options are shown on the following pages.

\* RBF-TAS SG Accounts have been referred to, and consolidated with, RBF Investment Accounts since 29 April 2011.



Miranda (Administrative Assistant),  
RBF member

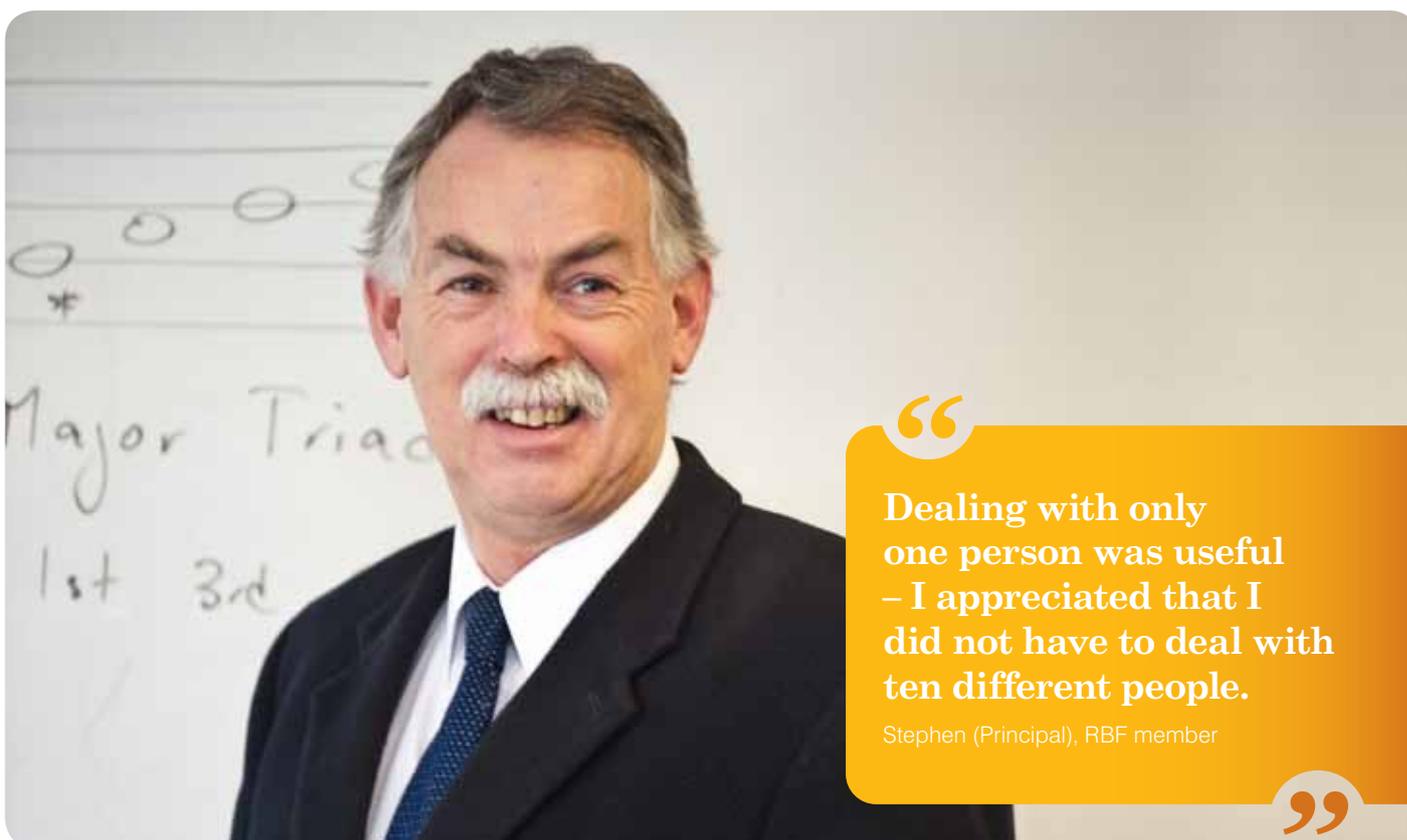
## Investment strategy – asset allocation at 30 June 2011

The investment strategy used by the RBF 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.

Changes were made during the year to the asset allocation for RBF Actively Managed.

	Australian Shares %	International Shares %	Property %	Alternative Investments %	Fixed Interest %	Cash %
<b>Diversified options:</b>						
RBF Actively Managed (default) benchmark <sup>1</sup>	33	24	12	15	12	4
Dynamic Asset Allocation range for Actively Managed	28-38	19-29	7-17	10-20	9-15	0-9
RBF Long Term Growth	45	30	12	8	5	–
RBF Moderate Growth	22	15	8	10	30	15
RBF Conservative Growth	15	10	3	2	45	25
RBF Socially Responsible Investments <sup>2</sup>	36	24	13	1	23	3
<b>Asset class options:</b>						
RBF Australian Shares	100	–	–	–	–	–
RBF International Shares	–	100	–	–	–	–
RBF Property & Alternative Investments	–	–	63	37	–	–
RBF Fixed Interest	–	–	–	–	100	–
RBF Cash	–	–	–	–	–	100

1. The RBF Actively Managed option differs from all other options offered by RBF. After consideration of advice from specialist external consultants, RBF sets the Dynamic Asset Allocation (DAA) on an annual basis to reflect its view on investment markets and assets class valuations. The DAA is also reviewed during the year when the RBF Board may vary the asset allocation in line with the options' objectives and targets. The DAA is based on a range for each asset class for RBF Actively Managed. The targeted DAA and ranges for RBF Actively Managed as at 30 June 2011 are shown above.
2. The RBF Socially Responsible Investments option is solely invested in the AMP Capital Responsible Investment Leaders Balanced Fund. The asset allocation for this option is subject to change without notice.



“  
Dealing with only one person was useful – I appreciated that I did not have to deal with ten different people.  
”

Stephen (Principal), RBF member

“

I trust RBF with my financial future, and that security is important to me and my family.

Olwen (Project Officer),  
RBF member



Brett (Constable), RBF member

”

### Performance objectives

The performance objectives and target real rates of return, that are the returns above the inflation rate, for the 10 Member Investment Choice options are shown below:

	Objective	Target real rate of return net of investment management fees and taxes
<b>Diversified options:</b>		
RBF Actively Managed	To provide a moderate to high level of capital growth over the medium to long term.	4.0% pa over rolling five-year periods
RBF Long Term Growth	To provide a high level of capital growth over the long term.	5.0% pa over rolling seven-year periods
RBF Moderate Growth	To provide a moderate level of capital growth over the medium term.	3.0% pa over rolling three-year periods
RBF Conservative Growth	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.	2.0% pa over rolling three-year periods
RBF Socially Responsible Investments	To provide a moderate level of capital growth over the long term, by investing in Australian and overseas companies that will form part of a socially and environmentally sustainable future and that meet ethical investment criteria.	4.0% pa over rolling five-year periods
<b>Asset class options:</b>		
RBF Australian Shares	To provide a high level of capital growth over the long term by investing in Australian shares.	5.5% pa over rolling seven-year periods
RBF International Shares	To provide a high level of capital growth over the long term by investing in a portfolio of international shares.	5.5% pa over rolling seven-year periods
RBF Property & Alternative Investments	To provide a stable income stream and also offer the opportunity for capital growth over the longer term.	4.5% pa over rolling five-year periods
RBF Fixed Interest	To provide a regular income stream and retain capital value over the medium term.	2.0% pa over rolling three-year periods
RBF Cash	To provide a high level of capital security and maintain the purchasing power of the capital invested.	0.5% over a one-year period

## Investment returns

The following tables show the compound average investment returns to 30 June 2011 for the past 3, 5, 7 and 10 years where available, as well as since inception. Past performance is not a reliable predictor of future performance, but longer-term historical data should be a more useful guide to members in assessing the relevance of current year returns to their retirement savings goals.

RBF calculates the weekly investment returns as follows:

- ▶ Step 1 – Gross investment return
- ▶ Step 2 – **Less** investment management fees
- ▶ Step 3 – **Less** income tax expense
- ▶ Step 4 – **Equals** the investment return (after investment fees and tax).

Investment returns are calculated net of investment management fees and tax. Administration fees are deducted directly from members' accounts after the returns have been applied.

These rates only apply to money invested in the relevant accounts and options for the whole period. The effective rate an individual member earned may be different depending upon when they joined the Fund and the timing of any contributions, withdrawals and investment switches.



“

Phil clarified several superannuation benefits available to me. I found his friendly, informative manner reassuring, and I have a clearer picture of my options.

Kerry (Teacher), RBF member

”

## Investment returns – Investment Account

	06-07 %	07-08 %	08-09 %	09-10 %	10-11 %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	Since Inception	Inception Date
<b>Diversified options:</b>											
RBF Actively Managed	15.08	-6.44	-10.41	9.94	8.31	2.18	2.81	5.64	5.45	5.96	2/10/1999
RBF Long Term Growth	18.36	-10.22	-13.87	11.70	8.83	1.54	2.15	5.90	5.09	6.07	2/10/1999
RBF Moderate Growth*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	18/08/2010
RBF Conservative Growth	8.52	-0.36	-0.03	10.41	7.55	5.89	5.12	5.97	5.31	5.67	2/10/1999
RBF Socially Responsible Investments	12.50	-7.15	-11.10	11.26	6.67	1.80	1.96	4.88	N/A	4.74	20/10/2001
<b>Asset class options:</b>											
RBF Australian Shares	25.97	-15.25	-18.77	15.91	8.93	0.84	1.82	7.17	N/A	7.54	29/09/2001
RBF International Shares	11.06	-18.18	-16.05	12.24	8.87	0.85	-1.40	1.65	N/A	0.78	20/10/2001
RBF Property & Alternative Investments	12.54	10.17	-5.97	-0.72	7.06	-0.02	4.38	6.43	N/A	6.97	28/06/2003
RBF Fixed Interest	4.13	4.73	6.36	10.13	7.58	8.02	6.57	6.25	N/A	5.86	28/06/2003
RBF Cash	5.28	6.22	4.49	3.27	4.18	3.98	4.69	4.73	4.57	4.65	2/10/1999

\* This option became available on 18 August 2010.

Investment Account investment returns – Discontinued Investments: Please note that the following table contains information for the MIC options that were closed as of 5 November 2010. The returns below are based on the last full month of returns, October 2010.

	06-07 %	07-08 %	08-09 %	09-10 %	10-11 %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	Since Inception	Inception Date
<b>Options closed 5 November 2010</b>											
RBF Diversified Growth	14.54	-7.24	-8.57	12.63	7.29	-0.61	4.79	6.90	5.67	6.27	2/10/1999
State Street Balanced Index	13.07	-11.31	-10.83	13.83	6.94	-2.89	3.15	5.87	N/A	4.53	27/10/2001
State Street Australian Shares Index	26.97	-13.92	-19.06	16.16	5.81	-6.19	5.21	9.40	N/A	8.06	3/11/2001
Maple-Brown Abbott Balanced	14.74	-9.42	-6.06	11.63	3.78	-0.77	4.06	6.30	N/A	6.85	5/07/2003
Maple-Brown Abbott Australian Shares	26.71	-13.73	-13.32	17.32	2.62	-2.92	6.07	9.23	N/A	10.36	28/06/2003

### Investment returns – RBF-TAS SG Account

RBF-TAS SG Account investment returns – Please note that the RBF-TAS SG Account was merged with the Investment Account on 29 April 2011. The returns below are based on the last full month of returns before the merge, March 2011.

	06-07 %	07-08 %	08-09 %	09-10 %	10-11 %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	Since Inception	Inception Date
<b>Diversified options:</b>											
RBF Actively Managed	15.08	-6.44	-10.41	9.94	4.82	1.58	2.93	6.30	5.68	6.05	25/04/2000
RBF Long Term Growth	18.36	-10.22	-13.87	11.70	3.78	0.80	2.31	6.82	5.82	6.10	25/04/2000
RBF Moderate Growth*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	18/08/2010
RBF Conservative Growth	8.52	-0.36	-0.03	10.41	6.30	5.50	5.00	6.16	5.41	5.67	25/04/2000
RBF Socially Responsible Investments	12.50	-7.15	-11.10	11.26	3.12	2.23	2.12	5.58	N/A	5.04	20/10/2001
<b>Asset class options:</b>											
RBF Australian Shares	25.97	-15.25	-18.77	15.91	1.49	0.41	2.40	8.52	N/A	8.24	29/09/2001
RBF International Shares	11.06	-18.18	-16.05	12.24	3.53	-1.01	-2.04	2.59	N/A	0.96	20/10/2001
RBF Property & Alternative Investments	12.54	10.17	-5.97	-0.72	7.47	0.14	4.86	6.67	N/A	7.05	28/06/2003
RBF Fixed Interest	4.13	4.73	6.36	10.13	8.19	7.58	6.23	6.08	N/A	5.79	28/06/2003
RBF Cash	5.28	6.22	4.49	3.27	4.10	4.21	4.72	4.75	4.57	4.69	25/04/2000

\* This option became available on 18 August 2010.

RBF-TAS SG Account investment returns – Discontinued Investments: Please note that the following table contains information for the MIC Options that were closed as of 5 November 2010. The returns below are based on the last full month of returns, October 2010.

	06-07 %	07-08 %	08-09 %	09-10 %	10-11 %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	Since Inception	Inception Date
<b>Options closed 5 November 2010</b>											
RBF Diversified Growth	14.54	-7.24	-8.57	12.63	7.29	-0.61	4.79	6.90	5.69	6.00	25/04/2000
State Street Balanced Index	13.07	-11.31	-10.83	13.83	6.94	-2.89	3.15	5.87	N/A	4.47	27/10/2001
State Street Australian Shares Index	26.97	-13.92	-19.06	16.16	5.81	-6.19	5.21	9.40	N/A	8.05	3/11/2001
Maple-Brown Abbott Balanced	14.74	-9.42	-6.06	11.63	3.78	-0.77	4.06	6.30	N/A	6.85	5/07/2003
Maple-Brown Abbott Australian Shares	26.71	-13.73	-13.32	17.32	2.62	-2.92	6.07	9.23	N/A	10.37	28/06/2003

## Investment returns – Allocated Pension Account

	06-07 %	07-08 %	08-09 %	09-10 %	10-11 %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	Since Inception	Inception Date
<b>Diversified options:</b>											
RBF Actively Managed	16.20	-6.68	-10.59	10.51	9.21	2.57	3.19	6.32	5.92	6.60	15/01/2000
RBF Long Term Growth	19.50	-10.76	-14.00	12.85	9.80	2.14	2.58	6.53	5.59	6.39	15/01/2000
RBF Moderate Growth*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	18/08/2010
RBF Conservative Growth	9.62	-0.41	-0.38	11.09	8.67	6.35	5.60	6.67	6.01	6.46	15/01/2000
RBF Socially Responsible Investments	13.57	-7.74	-12.04	11.11	7.61	1.69	1.96	5.19	N/A	5.18	20/10/2001
<b>Asset class options:</b>											
RBF Australian Shares	27.17	-15.73	-17.81	17.86	10.09	2.16	2.70	8.15	N/A	8.58	29/09/2001
RBF International Shares	12.31	-20.06	-18.74	11.49	9.82	-0.17	-2.24	1.31	N/A	0.66	20/10/2001
RBF Property & Alternative Investments	13.62	11.03	-6.27	-0.47	7.71	0.16	4.86	7.01	N/A	7.55	28/06/2003
RBF Fixed Interest	4.78	5.59	7.51	12.01	8.97	9.49	7.74	7.34	N/A	6.89	28/06/2003
RBF Cash	6.25	7.35	5.30	3.86	4.94	4.70	5.53	5.58	5.40	5.52	15/01/2000

\* This option became available on 18 August 2010.

Allocated Pension Account investment returns – Discontinued Investments: Please note that the following table contains information for the MIC options that were closed as of 5 November 2010. The returns below are based on the last full month of returns, October 2010.

	06-07 %	07-08 %	08-09 %	09-10 %	10-11 %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	Since Inception	Inception Date
<b>Options closed 5 November 2010</b>											
RBF Diversified Growth	15.89	-7.88	-9.22	13.13	8.82	-0.81	5.14	7.55	6.25	6.71	15/01/2000
State Street Balanced Index	14.35	-12.33	-10.71	13.73	8.35	-3.05	3.53	6.56	N/A	5.06	27/10/2001
State Street Australian Shares Index	28.54	-14.68	-19.67	16.70	9.06	-6.02	5.80	10.14	N/A	8.79	3/11/2001
Maple-Brown Abbott Balanced	16.20	-10.29	-6.90	11.39	5.44	-1.09	4.30	6.85	N/A	7.48	5/07/2003
Maple-Brown Abbott Australian Shares	28.28	-14.48	-13.55	17.97	4.97	-2.74	6.61	9.89	N/A	11.08	28/06/2003

## Investment returns – Term Allocated Pension Account

	06-07 %	07-08 %	08-09 %	09-10 %	10-11 %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	Since Inception	Inception Date
<b>Diversified options:</b>											
RBF Actively Managed	16.20	-6.68	-10.59	10.51	9.21	2.57	3.19	N/A	N/A	5.08	1/07/2005
RBF Long Term Growth	19.50	-10.76	-14.00	12.85	9.80	2.14	2.58	N/A	N/A	4.99	1/07/2005
RBF Moderate Growth*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	18/08/2010
RBF Conservative Growth	9.62	-0.41	-0.38	11.09	8.67	6.35	5.60	N/A	N/A	6.14	1/07/2005
RBF Socially Responsible Investments	13.57	-7.74	-12.04	11.11	7.61	1.69	1.96	N/A	N/A	4.10	1/07/2005
<b>Asset class options:</b>											
RBF Australian Shares	27.17	-15.73	-17.81	17.86	10.09	2.16	2.70	N/A	N/A	5.44	1/07/2005
RBF International Shares	12.31	-20.06	-18.74	11.49	9.82	-0.17	-2.24	N/A	N/A	1.09	1/07/2005
RBF Property & Alternative Investments	13.62	11.03	-6.27	-0.47	7.71	0.16	4.86	N/A	N/A	6.09	1/07/2005
RBF Fixed Interest	4.78	5.59	7.51	12.01	8.97	9.49	7.74	N/A	N/A	7.13	1/07/2005
RBF Cash	6.25	7.35	5.30	3.86	4.94	4.70	5.53	N/A	N/A	5.57	1/07/2005

\* This option became available on 18 August 2010.

Term Allocated Pension Account investment returns – Discontinued Investments: Please note that the following table contains information for the MIC options that were closed as of 5 November 2010. The returns below are based on the last full month of returns, October 2010.

	06-07 %	07-08 %	08-09 %	09-10 %	10-11 %	3 years % pa	5 years % pa	7 years % pa	10 years % pa	Since Inception	Inception Date
<b>Options closed 5 November 2010</b>											
RBF Diversified Growth	15.89	-7.88	-9.22	13.13	8.82	-0.81	5.14	N/A	N/A	5.68	1/07/2005
State Street Balanced Index	14.35	-12.33	-10.71	13.73	8.35	-3.05	3.53	N/A	N/A	4.23	1/07/2005
State Street Australian Shares Index	28.54	-14.68	-19.67	16.70	9.06	-6.02	5.80	N/A	N/A	6.65	1/07/2005
Maple-Brown Abbott Balanced	16.20	-10.29	-6.90	11.39	5.44	-1.09	4.30	N/A	N/A	4.77	1/07/2005
Maple-Brown Abbott Australian Shares	28.28	-14.48	-13.55	17.97	4.97	-2.74	6.61	N/A	N/A	6.98	1/07/2005

## Defined benefit schemes

- ▶ Contributory Scheme
- ▶ State Fire Commission Superannuation Scheme (incorporated into RBF 1 May 2006)
- ▶ Tasmanian Ambulance Service Superannuation Scheme (incorporated into RBF 30 June 2006)
- ▶ Parliamentary Superannuation Fund (incorporated into RBF 1 January 2003)
- ▶ Parliamentary Retiring Benefits Fund (incorporated into RBF 1 January 2003).

### Performance objective

The performance objective for the defined benefit schemes for net investment returns (after investment management fees and tax) is:

- ▶ to exceed the rate of inflation by 4.5% per annum over rolling five-year periods.

Generally, investment performance does not affect the level of benefits paid to members of RBF defined benefit funds and schemes.



Mary-Lee (Administrative Manager),  
RBF member

## Investment strategy asset allocation at 30 June 2011

The investment strategy used by the RBF Board to target the above performance objective is to invest in a balanced portfolio exposed to all major asset classes as shown below. The asset allocation of these defined benefit funds and schemes may vary from time, to time to reflect the RBF Board's view of different investment markets, within the predetermined ranges shown below.

### Asset allocation – defined benefit schemes as at 30 June 2011

	Australian Shares %	International Shares %	Low Beta Strategies %	Property %	Alternative Investments %	Fixed Interest %	Cash %
<b>Contributory Scheme</b>							
Strategic Asset Allocation	25	17	4	16	20	12	6
Range within which allocations can vary	15-35	7-27	0-8	6-26	10-30	2-22	0-14
<b>Parliamentary Superannuation Fund, Parliamentary Retiring Benefits Fund, State Fire Commission Superannuation Scheme and Tasmanian Ambulance Service Superannuation Scheme</b>							
Strategic Asset Allocation	25	17	4	16	20	12	6

### Historical investment returns

Net return (after investment fees and tax)	06-07 %	07-08 %	08-09 %	09-10 %
Contributory Scheme	15.20	-3.70	-9.50	5.20
Parliamentary Superannuation Fund	14.60	-5.20	-9.80	7.50
Parliamentary Retiring Benefits Fund	14.60	-5.20	-9.80	7.50
State Fire Commission Superannuation Scheme	14.70	-5.20	-9.70	7.50
Tasmanian Ambulance Service Superannuation Scheme	14.70	-5.20	-9.70	7.50

### Investment returns compared to investment objectives

Net return (after investment fees and tax)	1 year %	3 years % pa	5 years % pa	7 years % pa	10 years % pa
Contributory Scheme	8.50	1.10	2.80	5.60	5.60
Parliamentary Superannuation Fund	8.50	1.70	2.70	5.60	N/A
Parliamentary Retiring Benefits Fund	8.50	1.70	2.70	5.60	N/A
State Fire Commission Superannuation Scheme	8.60	1.80	N/A	N/A	N/A
Tasmanian Ambulance Service Superannuation Scheme	8.60	1.80	N/A	N/A	N/A
Objectives: CPI + 4.5% pa over rolling five-year periods	N/A	7.20	7.10	7.50	7.10

## Investment management fees

During 2010–11, RBF applied the following level of investment management fees to MIC options.

From 1 July 2010			
Member Investment Choice option	Base investment fee % pa	Performance-related investment fee % pa	Total investment fees % pa
<b>Diversified options:</b>			
RBF Actively Managed	0.65	0.03	0.68
RBF Long Term Growth	0.66	0.04	0.70
RBF Moderate Growth	0.52	0.02	0.54
RBF Conservative Growth	0.41	0.01	0.42
RBF Socially Responsible Investments	0.83	0.00	0.83
<b>Asset class options:</b>			
RBF Australian Shares	0.56	0.08	0.64
RBF International Shares	0.84	0.00	0.84
RBF Property & Alternative Investments	0.80	0.00	0.80
RBF Fixed Interest	0.38	N/A	0.38
RBF Cash	0.04	N/A	0.04

These fees are based on the costs incurred over the calendar year before and include fees paid to RBF's investment managers, asset consultants and custodian. The investment fee may 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 preceding calendar year are shown separately in the table above and are included in the total investment fees column.

Defined benefit scheme	Total investment fees % pa
From 1 July 2010	
Contributory Scheme	0.63
Parliamentary Superannuation Fund	0.76
Parliamentary Retiring Benefits Fund	0.74
State Fire Commission Superannuation Scheme	0.65
Tasmanian Ambulance Service Superannuation Scheme	0.65

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)

## Changes to investments

During 2010–11, several changes were made to the investment managers used by the RBF Board as a result of the ongoing review by the RBF Board of manager performance and the structure of the Fund's portfolio. New investments were made within the Australian Shares asset class with Schroder Investment Management Australia Ltd. Within the International Shares asset class, new investments were made with Harding Loevner LP. Within the Alternatives asset class, new investments were made with Babson Capital Management LLC. Investments were terminated with Australian Shares manager 452 Capital Pty Ltd and International Shares manager Alliance Bernstein Australia Ltd.

## Derivatives

### What are derivatives?

Derivatives are financial contracts, the value of which 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 RBF Board deems this appropriate and it is documented in contracts with the individual managers. The investment managers provide the RBF 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 RBF Board, through the Investment 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 RBF Board uses its currency manager, Mesirow, to enter into forward exchange contracts to manage foreign currency exposures within the Fund, in accordance with the RBF Board's Investment Strategy.

## 6

# Funds Under Management (FUM)

## Funds Under Management as at 30 June 2011

	2010 \$ million	2011 \$ million	2011 % of FUM
<b>Australian Shares</b>			
452 Capital	174.7	0.0	0.00
Invesco	44.9	56.9	1.47
Maple Brown Abbott Ltd			
Discretely Managed	249.4	268.2	6.94
Australian Equity Trust (previous MIC option)	16.0	0.0	0.00
Paradice	182.7	221.7	5.74
Schroders	0.0	201.6	5.22
Solaris	186.8	209.0	5.41
State Street Global Advisors			
Australian Equities Index Trust (previous MIC option)	13.0	0.0	0.00
Tribeca	78.6	88.1	2.28
<b>International Shares</b>			
Alliance Bernstein	136.1	0.0	0.00
Apostle Global S/M	33.8	36.0	0.93
Baillie Gifford	65.5	83.6	2.16
Capital International	212.5	222.4	5.76
Fauchier Partners	62.4	66.4	1.72
Harding Loevner	0.0	156.5	4.05
Independent Franchise Partners	98.1	108.0	2.80
Mesirow Currency Hedge (17% of all International equities)	0.5	1.5	0.04
Pzena Investment Management	89.2	91.6	2.37
<b>Diversified Fixed Interest</b>			
Brandywine Global Fixed Interest	142.3	158.7	4.11
Mortgages (Non.C)	167.6	161.3	4.18
PIMCO Australian & Global Bonds (Cus.)	104.5	186.9	4.84
The Super Loan Trust (Cus.)	6.9	7.3	0.19
<b>Property</b>			
AMP - CORE Property	105.2	115.2	2.98
AMP Capital - Select Property 3	30.4	47.1	1.22
Goodman Aust Industrial Fund	24.7	26.3	0.68
Gresham Mezzanine Prop Fund 2	2.0	0.9	0.02
Lend Lease APPF	176.0	190.5	4.93
Lend lease Communities Fund 1	12.9	10.6	0.27
Lend Lease Real Estate Partners No 2 Fund	8.7	0.2	0.01
Macquarie RVG	53.7	52.0	1.35
RBF Board (Direct Property)	41.2	48.0	1.24

## Funds Under Management as at 30 June 2011 (continued)

<b>Alternative Investments</b>			
AMP Infrastructure Equity Fund	40.90	43.0	1.11
AMP Responsible Investment Leaders - Balanced Fund	9.90	12.5	0.32
AMP Strategic Infrastructure Trust of Europe	21.00	21.0	0.54
Babson	0.0	50.7	1.31
GMO Multi-Strategy Trust (Absolute Return)	57.90	60.6	1.57
Hastings Utilities Trust of Australia (Infrastructure)	153.90	170.5	4.41
Hastings Yield Fund (Infrastructure Debt)	46.30	55.8	1.44
IFM International Private Equity Fund No. 1	5.30	4.4	0.11
Maple Brown Abbott Diversified Investment Trust (previous MIC Option)	4.90	0.0	0.00
State Street Global Advisors Passive Balanced Trust (previous MIC Option)	2.40	0.0	0.00
Tasmanian Gateway Consortium Holdings (Infrastructure)	98.50	113.8	2.95
Triplepoint (Absolute Return)	50.60	54.3	1.41
<b>Cash</b>			
Commonwealth Bank of Australia	7.9	0.0	
Perennial	120.7	102.8	2.66
Tascorp (Non.C)	296.3	254.2	6.58
Westpac Banking Corporation	31.9	103.0	2.67
<b>Total RBF Portfolio</b>	<b>3,467.7</b>	<b>3,863.1</b>	<b>100.00</b>



“

I'm contributing extra money to my superannuation now so I can enjoy a comfortable retirement.

Heather (Senior Communications Consultant), RBF member

”

## 7

## Your board

The Governor of Tasmania appoints the members of the RBF Board. The RBF Board is the Trustee of the Fund. The names of the Board Members who held office as at 30 June 2011 are below.

**Damian Egan**

President of the RBF Board (non-voting)

Nominee of the Minister, with the agreement of the Tasmanian Trades and Labor Council (now operating as Unions Tasmania)

Relevant Term:  
4/09/2009 – 3/09/2012

Board Member since 1995 and President since 1996

Chair of the Investment Committee, a Director of 66-80 Collins Street Pty Ltd, a Director of RBF Property Pty Ltd and a Director of the Tasmanian Gateway Corporation Group of companies which owns Hobart International Airport.

Mr Egan is a partner in the legal firm Murdoch Clarke, a member of the Federal Government Corporations and Markets Advisory Legal Committee, and a Board Member of the Hobart City Mission Inc and several private companies.

**Don Challen**

Deputy President of the Board

Nominee of the Minister

Relevant Term:  
1/11/2010 – 31/10/2013

Chair of the Administration and Remuneration Committee and Member of the Risk and Audit Committee.

Mr Challen is an economist, specialising in public finance. His early career as an academic was followed by 25 years in the public sector including an extended period as Secretary of the Department of Treasury and Finance in Tasmania.

**John Wilcox**

Nominee of the Minister

Relevant Term:  
1/10/2009 – 3/09/2012

Chair of the Risk and Audit Committee and Member of the Administration and Remuneration Committee.

Mr Wilcox is a semi-retired Chartered Accountant.

**Elizabeth Thomas**

Nominee of the Minister

Relevant Term:  
4/09/2009 – 3/09/2012

Member of the Administration and Remuneration Committee and Risk and Audit Committee.

Ms Thomas is an independent business consultant, specialising in corporate governance, organisational development and strategic planning.

**Lindsay Jones**

Nominee of the Tasmanian Trades and Labor Council (now operating as Unions Tasmania)

Relevant Term:  
1/09/2010 – 31/08/2013

Member of the Investment Committee.

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

**Neroli Ellis**

Elected by members of the Contributory Scheme

Relevant Term:  
1/09/2010 – 31/08/2013

Member of the Investment Committee.

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

**John Harman**

Elected by members of the Tasmanian Accumulation Scheme

Relevant Term:  
1/09/2010 – 31/08/2013

Member of the Investment Committee and Chairman of RBF Financial Planning Pty Ltd.

Mr Harman is a semi-retired superannuation industry specialist with approximately 39 years' experience in the superannuation and finance industries.

**Philip Mussared**

Chief Executive Officer

As CEO, Mr Mussared has statutory responsibility for the general management of the RBF Board's investment and administration operations. He attends all RBF Board meetings and is also a Director of RBF Financial Planning Pty Ltd, 66-80 Collins Street Pty Ltd, RBF Property Pty Ltd and Tasmanian Gateway Corporation Group of companies which owns Hobart International Airport.

**Liability risk management**

The RBF Board provided Directors and Officers liability insurance cover for the 2010–11 financial year.

**RBF Board protocol**

The RBF Board has reviewed and updated their protocol to ensure contemporary practices are embedded into the corporate governance practices of the RBF Board.

## Members' attendance at meetings

1 July 2010 – 30 June 2011

Board/ committee member	Ordinary Board meetings		Special Board meetings		Investment Committee meetings		Risk and Audit Committee meetings		Administration and Remuneration Committee meetings		Special Committee meetings	
	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended
<b>Member attendance at meetings</b>												
D Egan	12	10	1	1	13	12	0	0	0	0	2 <sup>3</sup>	2
D Challen <sup>2</sup>	8	8	0	0	0	0	3	3	3	3	1 <sup>3</sup>	1
N Ellis	12	9	1	1	13	9	0	0	0	0	0	0
L Jones	12	12	1	1	13	12	0	0	0	0	2 <sup>3</sup>	2
J Wilcox	12	11	1	1	0	0	5	5	5	5	1 <sup>3</sup>	1
J Harman	12	10	1	0	13	12	0	0	0	0	1 <sup>3</sup>	1
E Thomas	12	10	1	1	0	0	5	4	5	3	1 <sup>3</sup>	1
A Schiwy <sup>1</sup>	4	3	1	0	0	0	0	0	2	2	0	0
<b>CEO attendance at meetings</b>												
P Mussared	12	12	1	1	13	13	5	5	5	5	0	0

### Notes:

<sup>1</sup> A Schiwy ceased to be a Board Member on 1 November 2010.

<sup>2</sup> D Challen commenced as a Board Member on 1 November 2010, replacing A Schiwy.



“

RBF look after you  
from the moment  
you walk in the door.

Josh (Electrician), RBF member

”

## 8

## Legislative changes

During 2010-11, a number of amendments to RBF governing legislation contained in the *Public Sector Superannuation (Miscellaneous Amendments) Act 2009* took effect. The amendments primarily related to the transfer of the Investment Account from the Contributory Scheme to the Tasmanian Accumulation Scheme. Corresponding amendments were also made to the Tasmanian Accumulation Scheme Trust Deed.

Amendments to the governing legislation were also made by the Retirement Benefits Amendment Regulations 2011. These amendments provided the RBF Board with greater discretion with regard to the payment of interest on late benefit payments as well as clarifying that such interest payments are not capable of being converted to a pension.

### RBF Board policies

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

- ▶ Privacy Policy
- ▶ Investment Policy Statement
- ▶ Sponsorship Evaluation Criteria
- ▶ Conflicts of Interest Policy
- ▶ 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 on RBF's website [www.rbf.com.au](http://www.rbf.com.au)



Adam (Constable),  
RBF member

### Public Interest Disclosures Act 2002

The objective of the *Public Interest Disclosures Act 2002* (the Act) is to encourage and facilitate the making of disclosures about improper conduct by public officers and public bodies (a public interest disclosure). The Act provides protection for persons making a disclosure and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

During 2010–11 there were:

- ▶ no disclosures made to the RBF Board
- ▶ no public interest disclosure matters referred to the RBF Board by the Ombudsman

- ▶ no public interest disclosure matters referred by the RBF Board to the Ombudsman to investigate
- ▶ no public interest disclosure matters taken over by the Ombudsman from the RBF Board
- ▶ no recommendations of the Ombudsman that relate to the RBF Board.

The RBF Board's current Public Interest Disclosure Procedures are available on the website [www.rbf.com.au](http://www.rbf.com.au)

Alternatively, a copy of the procedures can be obtained by contacting the Protected Disclosure Officer by email at [corporate@rbf.com.au](mailto:corporate@rbf.com.au) or by telephone on **(03) 6233 2749**.

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# Financial summary

## as at 30 June 2011

	2011 \$'000	2010 \$'000
<b>Contributory Scheme</b>		
<b>Statement of net assets as at 30 June</b>		
Investments	1,398,873	1,362,071
Other assets	139,695	109,597
Total assets	1,538,568	1,471,668
Liabilities	36,574	45,257
<b>Net assets available to pay benefits</b>	<b>1,501,994</b>	<b>1,426,411</b>
<b>Statement of changes in net assets</b>		
Net assets available to pay benefits at the beginning of the financial year	1,426,411	1,371,424
Investment revenue	122,033	103,277
Contribution revenue	258,982	264,152
Other revenue	(1,304)	(4,026)
General administration and other expenses	18,476	13,236
Benefits paid	290,387	294,915
Taxation benefit/(expense)	4,735	(265)
<b>Net assets available to pay benefits at the end of the financial year</b>	<b>1,501,994</b>	<b>1,426,411</b>
<b>Tasmanian Accumulation Scheme</b>		
<b>Statement of financial position as at 30 June</b>		
Investments	2,371,834	2,033,372
Other assets	30,944	36,124
Total assets	2,402,778	2,069,496
Liabilities	141,410	119,107
<b>Net assets available to pay benefits</b>	<b>2,261,368</b>	<b>1,950,389</b>
<b>Operating statement for the year ended 30 June</b>		
Net investment revenue	187,736	143,142
Contribution revenue	485,422	503,250
Other revenue – general operating provision	(4,209)	19,239
Total revenue	668,949	665,631
General administration and other expenses	19,145	3,389
Taxation expense	(32,907)	(33,699)
Benefits accrued as a result of operations	616,897	628,543

	2011 \$'000	2010 \$'000
<b>Parliamentary Superannuation Fund</b>		
<b>Statement of net assets as at 30 June</b>		
Investments	6,244	5,921
Other assets	–	18
Total assets	6,244	5,939
Liabilities	2,254	1,422
<b>Net assets available to pay benefits</b>	<b>3,990</b>	<b>4,517</b>
<b>Statement of changes in net assets</b>		
Net assets available to pay benefits at the beginning of the financial year	4,517	4,542
Investment revenue	540	491
Contribution revenue	889	1,009
General administration and other expenses	189	212
Benefits paid	1,768	1,298
Taxation benefit/(expense)	1	(15)
<b>Net assets available to pay benefits at the end of the financial year</b>	<b>3,990</b>	<b>4,517</b>
<b>Parliamentary Retiring Benefits Fund</b>		
<b>Statement of net assets as at 30 June</b>		
Investments	4,798	4,201
Other assets	140	159
Total assets	4,938	4,360
Liabilities	1,569	1,809
<b>Net assets available to pay benefits</b>	<b>3,369</b>	<b>2,551</b>
<b>Statement of changes in net assets</b>		
Net assets available to pay benefits at the beginning of the financial year	2,551	5,048
Investment revenue	406	669
Contribution revenue	278	407
General administration and other expenses	(174)	32
Benefits paid	–	3,455
Taxation expense	(40)	(86)
<b>Net assets available to pay benefits at the end of the financial year</b>	<b>3,369</b>	<b>2,551</b>

	2011 \$'000	2010 \$'000
<b>State Fire Commission Superannuation Scheme</b>		
<b>Statement of net assets as at 30 June</b>		
Investments	28,124	25,647
Other assets	2,328	2,076
Total assets	30,452	27,723
Liabilities	9,525	9,281
<b>Net assets available to pay benefits</b>	<b>20,927</b>	<b>18,442</b>
<b>Statement of changes in net assets</b>		
Net assets available to pay benefits at the beginning of the financial year	18,442	50,351
Investment revenue	2,452	4,799
Contribution revenue	1,405	2,133
General administration and other expenses	798	585
Benefits paid	322	37,542
Taxation expense	(252)	(714)
<b>Net assets available to pay benefits at the end of the financial year</b>	<b>20,927</b>	<b>18,442</b>
<b>Tasmanian Ambulance Service Superannuation Scheme</b>		
<b>Statement of net assets as at 30 June</b>		
Investments	40,463	36,416
Other assets	1,227	981
Total assets	41,690	37,397
Liabilities	4,225	4,376
<b>Net assets available to pay benefits</b>	<b>37,465</b>	<b>33,021</b>
<b>Statement of changes in net assets</b>		
Net assets available to pay benefits at the beginning of the financial year	33,021	29,695
Investment revenue	3,477	2,775
Contribution revenue	2,537	2,268
General administration and other expenses	398	94
Benefits paid	740	1,083
Taxation expense	(432)	(540)
<b>Net assets available to pay benefits at the end of the financial year</b>	<b>37,465</b>	<b>33,021</b>







## Contacting **RBF**

Contact RBF if you would like additional information or assistance.

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