

member report

08



strength, security and growth



Letter from the President

Dear Members

In presenting this year's RBF Member Report, I am very conscious that the global financial crisis has affected our wealth and, in particular, our superannuation. Whilst it has been a tumultuous year for all funds, I am nevertheless pleased with how RBF has performed in this market.

The rapid slowing of the world's economies and high levels of volatility in the share markets have caused concerns for all investors and superannuants. It has heightened RBF's members' interests in their superannuation and increased member enquiries to RBF. Understanding the long term nature of superannuation and its investments is important when considering your own superannuation and the returns generated by it. To those members who have recently retired or are considering retiring in the short term and are understandably concerned about the impact of the financial crisis and its effect on their superannuation, I suggest you contact RBF.

During the year, RBF has increased services through the introduction of mobile services for members outside the major population centres. By conducting workplace seminars and personal interviews in these locations, more members have been able to access RBF's services.

I am particularly pleased that RBF will provide this report to members via our website. I am sure that the positive environmental and economic impacts will be appreciated by all. Those members who don't have access to the internet or who would prefer a printed copy may obtain one by contacting RBF.

I wish to thank all of you for your continued support during the year. It has been a very difficult and financially disappointing year. Nevertheless, we appreciate your feedback as it helps us to ensure our service delivery continues to meet your needs.

Finally, I would like to thank the CEO, management and staff for their effort during the past year. During difficult times, they are the team who strive to deliver best practice administration in superannuation and services to you. Although some difficulties arose on occasions, the RBF team is committed to ensure that RBF provides strength, security and growth for your financial future.

Yours sincerely



Damian Egan
President



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Highlights

Increased services

During 2007–08, the Board agreed to increased resources and boost direct services for members. This included increases in the number of staff for both RBF services as well as RBF-TAS Planning Pty Ltd, RBF's financial planning service.

We are now able to provide mobile services for members, with staff regularly travelling to remote areas. Members who could not access RBF's Launceston or Hobart offices can now attend workplace seminars and meet with RBF staff to plan their retirement or simply take better control of their super.

The Launceston office now has 11 staff including 3 financial planning staff sharing the office. Hobart office answers most member enquiries and has 22 staff, 8 of which provide financial planning services.

Planning to succeed

The RBF Board and management team have developed a new five-year Strategic Plan to ensure that RBF meets the needs of its members and stakeholders. The Plan has an emphasis on improving service value, encouraging business growth and improving cost outcomes so that we remain competitive.

RBF will further bolster services to members and relationship management with employers.

Fully implemented, the Strategic Plan will ensure all stakeholders are provided with competitive superannuation services.

The Plan supports RBF's vision to be the leading provider of superannuation services to the Tasmanian Public Sector.

Good report for the environment

Many members will be pleased that RBF's Member Report will be provided online for the first time instead of mailing a report to each member. Members can request a printed copy if they are not web users or would prefer to receive a printed copy.

The Australian Securities & Investments Commission (ASIC) announced in June 2008 that super funds could provide their Member Report online provided certain conditions were met. These conditions centred on the need to provide medium to long-term investment performance information to members with their annual membership statements. Changes will also be required to RBF's governing legislation and Trust Deeds.

Gateway to Tasmania

The Tasmanian Gateway Consortium purchased the Hobart International Airport for \$350.5 million in January 2008. RBF is a significant investor in the Consortium led by Macquarie Group and is proud to be associated with the leading global airport infrastructure investor and asset manager.



This strategic investment aligns with RBF's investment philosophy of securing exposure to quality assets in the best interest of our members. As a co-investor in the Consortium, RBF has taken a non-controlling indirect interest in the asset.

The Hobart International Airport is Tasmania's principal airport and serves as a major gateway for tourist and business visitors to our State. The airport is located on a 570 hectare site and carries 1.7 million passengers a year.

RBF is proud to support such a significant investment in Tasmania and has great confidence in Tasmania's economy and in future tourism growth. What better way to support investment in Tasmania than to invest in the gateway to Hobart!

RBF invests in Tasmania's future...

RBF has a continuing commitment to investing in Tasmania and Tasmanian business, wherever possible, and looks for new opportunities that would provide good returns for members.

As at 30 June 2008, our investments in Tasmania represented nearly 10% of total investments and included:

- the Myer Centre in Hobart;
- multi-level office building at 21 Kirksway Place Hobart;
- the Stoney Rise government office building in Devonport;
- over \$160 million in first mortgages;
- shares in First Tasmania Investments Ltd, a company designed to assist and invest in small business in Tasmania; and
- shares in Tasmanian Gateway Holding Limited, the company which owns Hobart Airport.

Following the fire in September 2007 which destroyed approximately 50% of the Myer store, we are continuing to explore options with Myer regarding a replacement store.

Super is now simpler

When the Australian government outlined its *Plan to Simplify and Streamline Superannuation* in the May 2006 Federal Budget superannuation became much simpler for many members. However, behind the scenes we were required to undertake a major project to ensure our systems were able to administer benefits under the new rules.

For most members, we were able to process benefits under the new regime with minimal delays. Unfortunately,

payments to some members were delayed while we waited for clarification from the Australian Government on how parts of the new legislation were to be interpreted.

A high level of commitment by RBF staff ensured that the backlog caused by these delays was dealt with quickly and normal processing times restored within a short period of time.

We extend our thanks to those members who experienced delays, for the patience they showed us during this difficult time.

The enormous task commenced in 2006–07 with significant work undertaking during that year. Final changes to systems and procedures were implemented during 2007–08.

Right information at the right time

SuperNews is an e-bulletin available to members who register on the RBF website. Published every two months, members who receive the newsletter were able to stay up-to-date with their super as the world's economy changed throughout the year.

During the early part of 2008 when we started to experience high share market volatility, we were able to provide timely messages to help members understand the situation.

"Best edition yet!" said one member in response to articles about being an informed investor.

Members can view past editions of the newsletter on the RBF website or register and subscribe to receive each issue by email every two months.

RBF On-line

If members need a form or want more information about their RBF super, the RBF website can help. Members can print the form they need, catch up on the latest news in super or find detailed information about each of RBF's schemes and how to improve their super.

Members can register on the RBF website and view their account details, manage their investment choice and keep RBF informed of any changes to their personal details.

We also provide copies of Membership Statements online. When statements are mailed to members, they are also loaded onto the member login area of the website.

14,188 members are already registered on the RBF website. To register, members need to quote their email address, member number and date of birth.

RBF Super Services

Information services

Keeping members informed

RBF provides information to members through newsletters, the annual Member Report as well as *SuperNews* e-bulletin. Each publication takes the opportunity to give members news about their super and provide information on savings and wealth-creation opportunities.

Members can also access information about RBF's products and services from the RBF website, brochures and fact sheets.

For the first time, RBF is able to provide members with their annual Member Report electronically and will not be mailing the report to all members. The Member Report will be loaded to the RBF website and members will be advised of its availability via newsletter. Only those members who request a printed report will be provided with one.

The Australian Securities & Investments Commission (ASIC) announced in June 2008 that super funds could provide their Member Report online provided certain conditions were met. These conditions centred on the need to provide medium to long-term investment performance information to members with their annual membership statements. Changes will also be required to RBF's governing legislation and Trust Deeds.

Personal service

When you need to know more about your super, simply phone RBF – we're here to answer your queries. Only at RBF can you speak with staff trained and up-to-date with RBF's superannuation scheme rules.

We also understand that sometimes a phone call is not enough. So we will book a time to sit down with you to answer your questions about super. Our specially trained staff are willing to devote time to making sure you understand your super before you need to make a decision.

You can even invite an RBF speaker to your workplace. We can provide a formal information session on a particular topic or simply have a general discussion on super, taking questions from the group.



If you would like to invite an RBF speaker to your next staff meeting, conference or professional development day, contact us by phoning 1800 622 631.

It's all part of the service.

Financial advice for members

RBF-TAS Planning Pty Ltd specialises in providing financial planning advice for RBF members and their partners. The financial planners are all RBF employees and able to take advantage of discussing scheme rules with RBF's specialist staff.

RBF is committed to providing the best outcomes for our members. All advisers, who are licensed authorised representatives of RBF-TAS Planning Pty Ltd, hold formal qualifications in financial planning and have extensive experience in superannuation.

You can request financial advice from RBF-TAS Planning by contacting RBF. To get the most from the services offered by RBF-TAS Planning, members should first attend an RBF seminar or personal interview with an RBF Member Services representative.

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

Feedback and complaints

RBF welcomes all feedback from members as it allows us to acknowledge staff doing a great job and to improve our service where required.

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

If you are unhappy with the way RBF has handled an administrative matter, we ask that you contact the manager of the area involved and explain your concerns. Our managers are keen to ensure our service is of the highest quality at all times and will assist you to find an acceptable resolution.

If your concerns have still not been addressed, you can contact:

Complaints Officer - Retirement Benefits Fund Board
GPO Box 446
HOBART TAS 7001
Ph (03) 6233 7256 or 1800 622 631

The Complaints Officer is an internal staff member who is independent of the issues subject to the complaint. Any letters of complaint are reviewed by a sub-committee of the RBF Board.

If your complaint has been reviewed and you are not satisfied with the response provided by RBF, you have the option of lodging a complaint with the Ombudsman. The Ombudsman can be contacted on 1800 001 170 or via email at ombudsman@justice.tas.gov.au.

Further information about RBF's complaint process can be found at <http://www.rbf.com.au/rbfpublish/RbfPub/ComplaintsReviews.jsp> or by contacting RBF.



RBF Membership Benefits

At RBF, you will benefit through:

- Lower fees with no entry or exit fees
- All profits paid to members
- Strong long-term performance

RBF makes it easy for you to:

- make personal contributions or Salary Sacrifice to super through payroll deductions.
- personalise investment options online and view account details.
- open an RBF Investment Account for your partner and save for your future together.

RBF also provides Death and Incapacity insurance along the way.



Secure your future with RBF

No matter which RBF scheme you belong to, you can secure your future with RBF super.

RBF encourages members to:

1. **Know your scheme:** by learning how your benefit is calculated, you will know how to improve your super.
2. **Plan:** the old saying is true, if you plan nothing, nothing happens. Plan to save. RBF can show you how.
3. **Stay in touch:** read your statements and newsletters. Visit the RBF website www.rbf.com.au. Ask more questions.

Select your best contribution method

There are two different methods of contributing to your super at RBF. You can make payments from your after-tax salary (personal contributions) or have your employer make the payments on your behalf (Salary Sacrifice).

For members earning more than \$34,000 assessable income during 2008–09, Salary Sacrifice should be considered as a vital contribution strategy.

Every member's financial circumstances are different, so what is right for others may not be right for you. You should consider your own situation when choosing your contribution method. Contact RBF to discuss your options, or use the calculators on the RBF website to help you make your decision.

Personal contributions

Super payments from your after-tax salary are called personal contributions and count towards your non-concessional contribution limit. Many members currently make personal contributions directly from their salary each fortnight. As you paid income tax when you received this money, there is no more tax to pay on these contributions when they go into the fund or when you retire.

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

Salary Sacrifice

With Salary Sacrifice, your employer makes your super contribution for you and your assessable income is reduced accordingly. You make a saving by not paying any income tax on those contributions. Contributions tax of 15% is deducted when your employer makes the contribution and, if you wait until you are 60 before you access your benefit, no further tax will be paid on this portion of your benefit.

Salary Sacrifice contributions count towards your concessional contribution limit.

From 1 July 2009 any reduction to your income achieved through Salary Sacrifice will no longer be taken into account to assess eligibility for Family Tax benefits and similar.

Salary Sacrifice is widely recognised as an effective way to

make contributions to super and members should carefully consider its benefits. Use the calculator on the RBF website to see how much extra you can contribute by using Salary Sacrifice.

Contribution limits

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

The non-concessional contribution limit will always be calculated as three times the concessional contribution limit. Contributions above the concessional contribution limit will incur penalty tax. Contributions that exceed the three-year Non-concessional contribution limit cannot be accepted and will be returned the member. The limits are indexed and will increase over time.

Non-concessional contributions limit

All non-concessional contributions are subject to a maximum limit of \$150,000 every year. Members under the age of 65 can make non-concessional contributions of up to \$450,000 over a three-year period.

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

Concessional contributions limit

Concessional contributions are subject to an annual limit of \$50,000 for each member. As a transitional arrangement, if you are over the age of 50, you may contribute \$100,000 in concessional contributions each year until 30 June 2012.

This limit covers all contributions from your employer, including Superannuation Guarantee payments, as well as Salary Sacrifice and any contributions for which you intend to claim a tax deduction. Employer contributions to defined benefit schemes are calculated using a formula and are also included in the limit.

Choose how your money is invested

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

- RBF Investment Account

- RBF-TAS SG Account
- RBF Allocated Pension Account
- RBF Term Allocated Pension Account.

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.

You can choose to invest in one investment option or in a number of options and you can switch between options as often as weekly if you wish. If you do not choose an investment option your investments will be allocated to the RBF Actively Managed option. This is RBF's default option.

Where an entire account balance is rolled over or transferred to another account, investment returns are not applied during the processing period. In peak processing times this may be between 6 to 13 days.

Death and Incapacity Cover

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

- a public sector employee; and
- under age 60 (under age 55 for Tasmanian Ambulance Service Super Scheme members); and
- have an RBF-TAS SG Account or are a member of the following schemes:
 - RBF Contributory Scheme
 - State Fire Commission Superannuation Scheme (SFCSS)
 - Tasmanian Ambulance Service Superannuation Scheme (TASSS)
 - Parliamentary Superannuation Fund
 - Parliamentary Retiring Benefits Fund.

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 entitled to limited cover until you successfully pass a medical examination or you have made contributions to the scheme continuously for ten years.

If you have Death and Incapacity Cover, RBF may pay you a benefit if you are unwell or injured and cannot work for a short period of time. You could be paid a benefit equal



to 75% of your salary for up to two years. This Temporary Incapacity pension is available up to age 60 for most members. If you are a member of TASSS or SFCSS your temporary incapacity cover continues until you are 65.

For further details about Death and Incapacity Cover please see the charts on pages 11 and 13.

Retirement products

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

RBF Allocated Pension

An RBF Allocated Pension can be the key to a successful financial future. With an Allocated Pension you invest a Lump Sum and then choose a pension amount that suits your individual retirement needs. This amount must meet the minimum limit set by Commonwealth legislation. You can also make additional cash withdrawals from your Allocated Pension account if required.

If you commence an Allocated Pension as part of Transition to Retirement, certain restrictions will apply until you fully retire. The annual pension you receive cannot exceed 10% of the account balance and you will not be able to make cash withdrawals.

As at 30 June 2008, RBF was paying 859 members an Allocated Pension.

RBF Life Pension

With an RBF Life Pension, RBF will pay you an income for the rest of your life. If you choose to commence a reversionary pension, RBF will even pay a pension to your surviving partner. Depending on how long you and your partner live, your Life Pension might provide more income than you would have received as a Lump Sum benefit.

Generally you can take a Life Pension if you have maintained continuous membership with RBF since before 15 May 1999. You should talk to RBF if you are unsure about your entitlement.

As at 30 June 2008 RBF paid 7,665 members a Life Pension. Life Pensions are adjusted twice each year in line with increases in the Consumer Price Index.

During the 2007–08 financial year Life Pensions increased by the following amounts:

1 July 2007	0.0%
1 January 2008	1.9%

Lump Sum Benefit

When you retire after reaching your Preservation Age you can take your retirement benefit as a Lump Sum. You can leave your balance in the RBF Investment Account for as long as you wish. Compulsory withdrawal of your super when you reach 65 has now been abolished. Careful consideration should be given to funding your future needs if you withdraw all your 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 you access your 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 new tax rules affect your super, you can make the most of the tax changes.

Tasmanian Accumulation Scheme, Investment Account, TASSS, SFCSS and Parliamentary Retiring Benefits Fund

Super benefits coming from these fully taxed superannuation schemes will become tax exempt 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 & 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 70% of your Contributory Scheme benefit. This represents the employer component of the final benefit, on which contributions tax has not yet been paid. After you reach 60, you will pay a lower rate of tax on Lump Sum withdrawals. Pension payments will receive a 10% rebate against this part of the benefit.

The remaining employee component of the benefit will be tax-free after you turn 60.

Schemes, Accounts & Products

Your Membership Statement tells you which RBF schemes you are in and which accounts you hold. You can register on the RBF website and login to view your scheme and account information.

Use the charts on pages 10–13 to find out about the many benefits your superannuation scheme offers.

Tasmanian Accumulation Scheme (TAS) – for people employed in the Tasmanian public sector from 15 May 1999 and other employees not in the RBF Contributory Scheme. All new staff within the public sector are able to become members of RBF by joining the Tasmanian Accumulation Scheme.

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

State Fire Commission Superannuation Scheme (SFCSS) – for full time permanent uniformed employees who started employment in the Tasmania 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 (TAS) members are invested.

RBF Investment Account – where personal 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 have invested in a Term Allocated Pension. No new accounts will be commenced after 20 September 2007.

RBF Compulsory Preservation Account – for preserved unfunded benefits.

RBF Membership Statistics

Schemes & Accounts	Members			Members 30/6/08
	30/6/07	Entrants	Exits	
RBF Contributory Scheme	11,880	6	723	11,163
Tasmanian Accumulation Scheme	23,546	4,155	3,369	24,332
State Fire Commission Superannuation Scheme	305	0	7	298
Tasmanian Ambulance Service Superannuation Scheme	189	0	13	176
Parliamentary Superannuation Fund	3	0	0	3
Parliamentary Retiring Benefits Fund	14	0	1	13
RBF Investment Account	57,127	4,482	3,227	58,382
RBF Compulsory Preservation Account	18,503	154	991	17,666
RBF Life Pension	7,501	395	231	7,665
RBF Allocated Pension	560	328	29	859
RBF Term Allocated Pension	10	21	2	29



Summary of schemes administered by RBF

Features	RBF Contributory Scheme	Tasmanian Accumulation Scheme (TAS)
Brief description of benefit	<p>An unfunded defined benefit scheme where, generally, the final benefit depends on:</p> <ul style="list-style-type: none"> • average salary over the last three years worked in the public sector • the number of years for which contributions have been made to the scheme • the contribution rate(s) as a percentage of total salary. 	<p>An accumulation scheme where the final benefit depends on:</p> <ul style="list-style-type: none"> • the amount of employer contributions deposited in the RBF-TAS SG Account • the amount of employee contributions deposited in the RBF Investment Account • the amount of any additional employer contributions, Salary Sacrifice contributions, spouse contributions or splits and/or Commonwealth Super Co-contributions deposited in the RBF Investment Account • the investment returns, net of fees and taxes, credited to the accounts • deduction of any insurance premiums and/or other fees.
Membership as at 30 June 2008	11,163 members (decreased from 11,880 members as at 30 June 2007)	24,332 members (increased from 23,456 members as at 30 June 2007)
Membership eligibility	<p>Generally:</p> <ul style="list-style-type: none"> • permanent employees or • long-term employees who elected to join <p>and who started employment in the public sector before 15/5/99.</p>	<ul style="list-style-type: none"> • State public sector employees • Superannuants • Members of Parliament and Statutory Officers who are not members of the Contributory Scheme or another complying superannuation fund • Partner of an RBF member
Benefit options	Members who meet Commonwealth preservation requirements may take a Lump Sum benefit, an RBF Life Pension, an RBF Allocated Pension or a combination.	<ul style="list-style-type: none"> • Members who meet Commonwealth preservation requirements may take a Lump Sum benefit, an RBF Allocated Pension or a combination. • Members who joined before 15/5/99 can also take an RBF Life Pension.
Contribution options	<ul style="list-style-type: none"> • Members must contribute the equivalent of between 5% and 15% of their salary. Member Investment Choice does not apply to these contributions. • Contributions may be made either as personal contributions or by Salary Sacrifice. • Members can make additional personal contributions or Salary Sacrifice contributions to the RBF Investment Account, which has Member Investment Choice. • All contributions are to be included in the concessional and non-concessional contribution limits according to contribution type. 	<ul style="list-style-type: none"> • Members can make personal contributions or Salary Sacrifice contributions to the RBF Investment Account. • Members can use Member Investment Choice. • All contributions are to be included in the concessional and non-concessional contribution limits according to contribution type.



Features	RBF Contributory Scheme	Tasmanian Accumulation Scheme (TAS)
Death and Incapacity Cover	<ul style="list-style-type: none"> • For interim invalidity, a pension of 75% of the salary received in the past year is available for up to two years. • 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. • On death, a Lump Sum Benefit is paid. The surviving partner of the deceased can convert this into a pension. • Terminally ill members who are likely to die within 12 months can elect to receive a Lump Sum. • The insurance premium is 0.35% of a member's salary. This amount is deducted each fortnight from the member's account. • Members are entitled to limited Ill Health and Death Benefits until the member passes a medical examination* or has contributed to the scheme continuously for ten years, when he or she will be entitled to full benefits. <p><i>* A medical practitioner approved by the RBF Board must conduct the medical examination.</i></p>	<ul style="list-style-type: none"> • For temporary incapacity, a pension of 75% of the salary received in the past year is available for up to two years. • For Permanent Incapacity, the benefit can be taken as a Lump Sum, an RBF Allocated Pension or a combination. • Members who joined before 15/5/99 can also take the benefit as an RBF Life Pension. • On death, a Lump Sum benefit is paid. • Variable Death and Incapacity Cover is available from 0% to 300%. Members electing to have no cover must have alternative cover. • 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.
Crediting rates	<ul style="list-style-type: none"> • 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. • Crediting rates (net of charges) in 2007–08 were: <ul style="list-style-type: none"> 1/7/07 to 30/9/07 14.01% pa 1/10/07 to 30/6/08 14.90% pa • 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. 	<ul style="list-style-type: none"> • The crediting rate is set weekly and is based on the most recent net investment returns. • Each week the account balance is adjusted according to the crediting rate. • The different crediting rates for each Member Investment Choice option are available on the RBF website at www.rbf.com.au and on flyers available from RBF.
Fees	<ul style="list-style-type: none"> • No fees are payable by the member. The scheme funds all fees. • Generally, the level of fees does not affect the benefits paid by the scheme. • Administration fees were 0.81%. • Investment management fees were 0.60%. 	<ul style="list-style-type: none"> • An administration fee and an investment management fee are charged. Each Member Investment Choice option has a different investment management fee. • The administration fees for the different accounts are provided on page 15. The different investment management fees are provided on page 25. • Information about fees is published on RBF's website at www.rbf.com.au and on RBF's regularly produced crediting rate flyers.



Features	State Fire Commission Superannuation Scheme (SFCSS)	Tasmanian Ambulance Service Superannuation Scheme (TASSS)
Brief description of benefit	<p>A defined benefit scheme where, generally, the final benefit depends on:</p> <ul style="list-style-type: none"> • salary (not including overtime and allowances for rent) • the number of years for which contributions have been made to the scheme. 	<p>A defined benefit scheme where, generally, the final benefit depends on:</p> <ul style="list-style-type: none"> • average salary over the last year of membership worked • the contribution rate(s) used to deduct contributions from salary • the number of years for which contributions have been made to the scheme.
Membership as at 30 June 2008	298 members (decreased from 305 members as at 30 June 2007).	176 members (decreased from 189 members as at 30 June 2007).
Membership eligibility	<ul style="list-style-type: none"> • Generally, full-time permanent uniformed employees who elected to join and who started employment with Tasmania Fire Service prior to 1 July 2005. • The SFCSS was closed to new members from 1 July 2005. 	<ul style="list-style-type: none"> • Generally, permanent employees who elected to join and who started employment with Tasmanian Ambulance Service prior to 30 June 2006. • The TASSS was closed to new members from 30 June 2006.
Benefit options	<p>Members who meet Commonwealth preservation requirements may take a Lump Sum benefit. Members who roll over their scheme benefits into the RBF Investment Account may take a Lump Sum, an RBF Allocated Pension or a combination.</p>	<p>Members who meet Commonwealth preservation requirements may take a Lump Sum benefit. Members who roll over their scheme benefits into the RBF Investment Account may take a Lump Sum, an RBF Allocated Pension or a combination.</p>
Contribution options	<ul style="list-style-type: none"> • Members contribute at 5% of salary. Member Investment Choice does not apply to these contributions. • Contributions may be made either as personal contributions or by Salary Sacrifice. • Members can make additional personal contributions or Salary Sacrifice contributions to the RBF Investment Account, which has Member Investment Choice. • All contributions are to be included in the concessional and non-concessional contribution limits according to contribution type. 	<ul style="list-style-type: none"> • Members must contribute between 5% and 11% of their salary. Member Investment Choice does not apply to these contributions. • Contributions may be made either as personal contributions or by Salary Sacrifice. • Members can make additional personal contributions or Salary Sacrifice contributions to the RBF Investment Account, which has Member Investment Choice. • All contributions are to be included in the concessional and non-concessional contribution limits according to contribution type.



Features	State Fire Commission Superannuation Scheme (SFCSS)	Tasmanian Ambulance Service Superannuation Scheme (TASSS)
Death and Incapacity Cover	<ul style="list-style-type: none"> • For temporary incapacity, a pension of 75% of superannuation salary is available for up to two years. • For Total and Permanent Incapacity the benefit can be taken as a Lump Sum, an RBF Allocated Pension or a combination. • On death a Lump Sum benefit is paid. • The insurance premium is covered by the scheme. No deductions are made for this from the member's account. 	<ul style="list-style-type: none"> • For temporary incapacity, a pension of 75% of superannuation salary is available for up to two years. • For Total and Permanent Incapacity the benefit can be taken as a Lump Sum, an RBF Allocated Pension or a combination. • On death a Lump Sum benefit is paid. • The insurance premium is covered by the scheme. No deductions are made for this from the member's account.
Crediting rates	<ul style="list-style-type: none"> • 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. • The net earning rate for the year ending 30 June 2008 was minus 5.1%. 	<ul style="list-style-type: none"> • 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. • Generally, the crediting rate does not affect the level of benefits for TASSS members as benefits are based on a formula. The formula is linked to salary, service and contribution rate. • The net earning rate declared for the year ending 30 June 2008 was minus 5.1%.
Fees	<ul style="list-style-type: none"> • No fees are payable by the member. The scheme funds all fees. • Generally, the level of fees does not affect the benefits paid by the scheme. • Administration fees were 0.81%. • Investment management fees were 0.62%. 	<ul style="list-style-type: none"> • No fees are payable by the member. The scheme funds all fees. • Generally, the level of fees does not affect the benefits paid by the scheme. • Administration fees were 0.81%. • Investment management fees were 0.63%.



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.

Compulsory Preservation Account

The RBF Compulsory Preservation Account is where preserved, unfunded benefits are recorded. You may have an unfunded Compulsory Preservation Account if you left:

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

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.

If you remain eligible to contribute to super, you can make contributions to the RBF Investment Account and continue to save for your retirement.

The balance of your Compulsory Preservation Account is indexed to whichever is the greater of inflation or movements in average wages. In 2007–08 indexation rates for the Compulsory Preservation Account were:

- 1 July 2007 to 31 December 2007
3.99% pa for the six-month period
- 1 January 2008 to 30 June 2008
5.91% pa for the six-month period.

The rate is currently set at 4.59% pa until 31 December 2008, at which time it will be reviewed.

At 30 June 2008 17,666 members held Compulsory Preservation Accounts.

No fees or charges are applied to your Compulsory Preservation Account. RBF's investment performance will not affect the balance of your 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 select your investment options using Member Investment Choice.

Once in the Investment Account, your benefit will accrue at the crediting rate for the Member Investment Choice options that you select. This will continue until you retire or commence Transition to Retirement, when RBF will pay you a retirement benefit. Members with a Compulsory Preservation Account are entitled to receive an RBF Life Pension at retirement.

RBF Investment Account

The RBF Investment Account is an accumulation-style account into which you can make additional contributions to your super.

At 30 June 2008 there were 58,382 Investment Accounts open with more than \$1.11 billion of member's retirement savings.

Personal contributions can be made as automated payroll deductions, direct debits from your bank account or lump-sum deposits.

While you remain a Tasmanian public sector employee, you can also make Salary Sacrifice (concessional) contributions through an agreement with your employer.

Personal contributions will be subject to your non-concessional contributions limit. Salary Sacrifice contributions will be included in your annual concessional contributions limit.

Member Investment Choice

The RBF Investment Account gives you control over how your money is invested. You can choose from a range of investment options to suit your personal needs.

More information on each of the options is available on the RBF website or by contacting RBF directly.

Roll over your super

To consolidate your super, you can also roll over savings from other superannuation funds into the RBF Investment Account. Rollovers from other super funds are not included in your contribution limits.

As with all superannuation accounts, all contributions and investment returns received after 1 July 1999 are preserved until you reach your Preservation Age and retire from the workforce.

Investment Account for your partner

As an RBF member, you may be able to open an RBF Investment Account for your partner. Your partner can roll over their other super and continue to save for their retirement with RBF.

Your partner can make personal contributions to their account through regular bank deductions or lump-sum deposits.

Spouse contributions

If you either you or your spouse earns less than \$13,800 and satisfies other criteria, the partner earning the higher salary maybe eligible to claim a tax offset for contributions to the low income earner's account. It is important to note that for 2007–08, the Commonwealth Government's definition of spouse does not include same sex couples.

Administration fees

RBF's administration fees remained static during the year and continue unchanged into the 2008–09 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, i.e. the lowest fee does not apply to the entire account balance.

The administration fees and thresholds are shown in the table opposite.

Account	Scale fees from 1 July 2007	
	Part of account balance less than \$150,000	Part of account balance more than \$150,000
RBF-TAS SG Account	0.45% pa	0.20% pa
RBF Investment Account	0.45% pa	0.20% pa
RBF Allocated Pension Account	0.45% pa	0.20% pa
RBF Term Allocated Pension Account	0.45% pa	0.20% pa

Administration costs for the defined benefit schemes are deducted directly from the funds under management in each scheme and are not paid from member accounts.

The costs are represented as a percentage of funds under management in each scheme. The table below shows the administration costs based on budget forecasts for the 2008–09 year.

Defined Benefit Scheme	Administration Costs 2007–08	Predicted Administration Costs 2008–09
	% pa	% pa
RBF Contributory Scheme	0.81% pa	0.81% pa
Parliamentary Superannuation Fund	0.81% pa	0.81% pa
Parliamentary Retiring Benefits Fund	0.81% pa	0.81% pa
State Fire Commission Superannuation Scheme	0.81% pa	0.81% pa
Tasmanian Ambulance Service Superannuation Scheme	0.81% pa	0.81% pa



Investment Performance

After four years of very strong investment returns driven by buoyant commodity markets and an environment of expansive credit, 2007–08 saw strong corrections in investment markets around the world.

In this difficult environment, many Australian superannuation funds recorded negative returns for the year ended 30 June 2008, with the market median return of balanced funds being minus 7.48% according to SuperRatings Pty Ltd's Credit Rate Survey.

The RBF Investment Account crediting rate for RBF's default Member Investment Choice option, RBF Actively Managed, was minus 6.44% for the year. Crediting rates reflect the return paid to members after investment management fees and taxes on investment earnings have been deducted.

RBF continued to perform well over the longer term. The RBF Investment Account crediting rate for RBF Actively Managed was 8.76% per annum over the past five years.

Tasmanian investments continue to perform well

RBF's internally managed investments in Tasmanian property and mortgages continued to make significant contributions to the performance of the Fund. RBF's return on Tasmanian property investments before investment management fees was 19.2% for the 2007–08 financial year. For mortgages, the return before investment management fees was 5.3% for the year.

RBF is a significant investor in the Tasmanian Gateway Consortium led by the Macquarie Group. This consortium was successful in purchasing the Hobart Airport in January 2008. This strategic investment aligns with RBF's fundamental investment philosophy of securing exposure to quality assets with strong underlying cash-flows, low volatility and long-term potential.

Combined, these investments amount to \$322.4 million and represent 9.5% 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 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
- Taxation – PricewaterhouseCoopers (Melbourne)
- Actuarial – PricewaterhouseCoopers (Melbourne)
- Custodial – J P Morgan Global Investor Services.

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. 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 6 to 13 days.

For more information about Member Investment Choice visit the RBF website at www.rbf.com.au or contact RBF.

Investment strategy – asset allocation at 30 June 2008

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

	Australian Shares %	International Shares %	Property %	Alternative Investments %	Fixed Interest %	Cash %
Diversified options:						
RBF Actively Managed (Default Option)*	32	25	16	14	8	5
RBF Long Term Growth	50	25	12	8	5	-
RBF Diversified Growth	40	20	6	4	30	-
RBF Conservative Growth	15	10	3	2	45	25
RBF Socially Responsible Investments**	40	20	-	-	40	-
Asset class options:						
RBF Australian Shares	100	-	-	-	-	-
RBF International Shares	-	100	-	-	-	-
RBF Property & Alternative Investments	-	-	63	37	-	-
RBF Fixed Interest	-	-	-	-	100	-
RBF Cash	-	-	-	-	-	100
Manager specific options:***						
State Street Balanced Index	35	25	10	-	25	5
State Street Australian Shares Index	100	-	-	-	-	-
Maple-Brown Abbott Balanced	45	15	10	5	18	7
Maple-Brown Abbott Australian Shares	100	-	-	-	-	-

* From July 2007 the Board implemented a new investment strategy for RBF Actively Managed by introducing the concept of a Dynamic Asset Allocation. The Dynamic Asset Allocation will be continually monitored by the Board to reflect its view of different investment markets and considering the investment objective and accountability measures set for this investment option. The asset allocation may vary from time to time and may change without prior notice being given. The targeted Dynamic Asset Allocation for RBF Actively Managed as at 30 June 2008 is shown above.

**The RBF Socially Responsible Investments option is invested in the AMP Capital Investors' Sustainable Future Australian Shares Fund (60%) and RBF's Fixed Interest asset class (40%). The AMP Capital Responsible Investment Leaders Balanced Fund was appointed as the sole manager for this option from 1 August 2008.

*** 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.

Performance objectives

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

Member Investment Choice option	Objective	Target real rate of return net of investment management fees and taxes
Diversified options:		
RBF Actively Managed	To provide a moderate to high level of capital growth over the medium to long term.	4% pa over rolling five-year periods
RBF Long Term Growth	To provide a high level of capital growth over the long term.	5% pa over rolling seven-year periods
RBF Diversified Growth	To provide a moderate to high level of capital growth over the medium to long term.	3%–4% pa over rolling five-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.	1.5%–2% 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.	2%–3% pa over rolling five-year periods
Asset class options:		
RBF Australian Shares	To provide a high level of capital growth over the long term by investing in Australian shares.	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% 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% pa over rolling five-year periods
RBF Fixed Interest	To provide a regular income stream and retain capital value over the medium term.	1.5% pa over rolling three-year periods
RBF Cash	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
Manager specific options:		
State Street Balanced Index	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 five-year periods
State Street Australian Shares Index	To closely track the monthly rates of return of the S&P/ASX200 Accumulation Index.	4% over rolling seven-year periods
Maple-Brown Abbott Balanced	To provide a superior rate of return relative to the average of similar balanced funds as measured by the ASSIRT Multi-Sector 70 Wholesale Index over rolling three-year periods.	3%–4% pa over rolling five-year periods
Maple-Brown Abbott Australian Shares	To provide a superior rate of return relative to the S&P/ASX300 Accumulation Index over rolling four-year periods.	4% pa over rolling seven-year periods

Crediting rates

A super fund's investment performance typically varies over time. Because super is a long-term investment, long-term figures smooth out short-term results. For example, RBF Actively Managed returned minus 6.44% over one year for RBF Investment Account holders. However, the positive returns for the previous 4 years results in a return averaging 8.76% each year for the past 5 years being paid to members.

The tables below show crediting rates for the past 5 years as well as 3 and 5 year compound average returns to 30 June 2008. As none of the investment options have been available for 10 years, we are unable to provide returns over that period. 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 crediting rates as follows:

- Step 1 - Gross crediting rate
- Step 2 - Less investment management fees
- Step 3 - Less income tax expense
- Step 4 - Equals the crediting rate
(after investment fees and tax).

Prior to 1 July 2006 the crediting rates did not include tax, investment management and administration fees.

From 1 July 2006 the administration fee is deducted directly from your accounts after the crediting rate has been applied to the account.

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



Crediting rates – RBF Investment Account

	03–04	04–05	05–06	06–07	07–08	3 years	5 years	Since inception	Inception date
	%	%	%	%	%	% pa	%pa	% pa	
Diversified options:									
RBF Actively Managed	11.75	11.98	12.98	15.08	–6.44	6.75	8.76	6.77	2 Oct 99
RBF Long Term Growth	15.26	14.67	15.85	18.36	–10.22	7.17	10.22	7.14	2 Oct 99
RBF Diversified Growth	11.63	12.35	12.49	14.54	–7.24	6.12	8.43	6.39	2 Oct 99
RBF Conservative Growth	6.22	7.89	7.26	8.52	–0.36	5.07	5.86	5.12	2 Oct 99
RBF Socially Responsible Investments	11.73	10.18	13.71	12.50	–7.15	5.90	7.89	5.63	20 Oct 01
Asset class options:									
RBF Australian Shares	18.86	23.75	18.61	25.97	–15.25	8.18	13.24	10.16	29 Sep 01
RBF International Shares	14.29	1.85	16.89	11.06	–18.18	2.03	4.33	0.31	20 Oct 01
RBF Property & Alternative Investments	9.64	11.27	10.95	12.54	10.17	11.21	10.90	10.98	28 Jun 03
RBF Fixed Interest	2.67	6.82	3.07	4.13	4.73	3.98	4.27	4.25	28 Jun 03
RBF Cash	3.78	4.24	4.40	5.28	6.22	5.30	4.78	4.41	2 Oct 99
Manager specific options:									
State Street Balanced Index	12.32	11.47	14.04	13.07	–11.31	4.58	7.44	4.78	27 Oct 01
State Street Australian Shares Index	19.41	23.57	20.23	26.97	–13.92	9.53	14.15	9.97	3 Nov 01
Maple-Brown Abbott Balanced	n/a	11.37	10.67	14.74	–9.42	4.77	N/A	7.90	5 Jul 03
Maple-Brown Abbott Australian Shares	21.82	20.17	15.30	26.71	–13.73	8.02	13.03	12.95	28 Jun 03

Crediting rates – RBF-TAS SG Account

	03-04	04-05	05-06	06-07	07-08	3 years	5 years	Since	Inception
	%	%	%	%	%	% pa	% pa	inception	date
								% pa	
Diversified options:									
RBF Actively Managed	11.40	11.58	12.62	15.08	-6.44	6.63	8.55	6.40	25 Apr 00
RBF Long Term Growth	14.87	14.24	15.47	18.36	-10.22	7.05	9.99	6.56	25 Apr 00
RBF Diversified Growth	11.27	11.94	12.13	14.54	-7.24	6.01	8.21	5.82	25 Apr 00
RBF Conservative Growth	5.91	7.52	6.93	8.52	-0.36	4.96	5.65	4.75	25 Apr 00
RBF Socially Responsible Investments	11.37	9.78	13.34	12.50	-7.15	5.79	7.68	5.37	20 Oct 01
Asset class options:									
RBF Australian Shares	18.46	23.28	18.22	25.97	-15.25	8.07	13.00	9.89	29 Sep 01
RBF International Shares	13.93	1.48	16.52	11.06	-18.18	1.93	4.13	0.08	20 Oct 01
RBF Property & Alternative Investments	9.28	10.85	10.59	12.54	10.17	11.09	10.67	10.75	28 Jun 03
RBF Fixed Interest	2.36	6.46	2.76	4.13	4.73	3.87	4.07	4.05	28 Jun 03
RBF Cash	3.47	3.88	4.09	5.28	6.22	5.19	4.58	4.21	25 Apr 00
Manager specific options:									
State Street Balanced Index	11.97	11.07	13.68	13.07	-11.31	4.46	7.23	4.46	27 Oct 01
State Street Australian Shares Index	19.01	23.11	19.83	26.97	-13.92	9.41	13.92	9.69	3 Nov 01
Maple-Brown Abbott Balanced	n/a	10.97	10.31	14.74	-9.42	4.66	N/A	7.69	5 Jul 03
Maple-Brown Abbott Australian Shares	21.42	19.72	14.94	26.71	-13.73	7.90	12.80	12.71	28 Jun 03

Crediting rates – RBF Allocated Pension Account

	03-04	04-05	05-06	06-07	07-08	3 years	5 years	Since	Inception
	%	%	%	%	%	% pa	% pa	inception	date
								% pa	
Diversified options:									
RBF Actively Managed	12.84	13.16	14.18	16.20	-6.68	7.38	9.59	7.18	15 Jan 00
RBF Long Term Growth	15.82	15.35	16.98	19.50	-10.76	7.65	10.75	7.06	15 Jan 00
RBF Diversified Growth	12.70	13.57	13.61	15.89	-7.88	6.64	9.19	6.56	15 Jan 00
RBF Conservative Growth	7.09	9.05	8.07	9.62	-0.41	5.66	6.62	5.63	15 Jan 00
RBF Socially Responsible Investments	12.82	11.08	14.65	13.57	-7.74	6.30	8.52	6.05	20 Oct 01
Asset class options:									
RBF Australian Shares	19.63	24.87	19.41	27.17	-15.73	8.57	13.83	10.79	29 Sep 01
RBF International Shares	15.66	1.80	18.63	12.31	-20.06	2.12	4.63	0.35	20 Oct 01
RBF Property & Alternative Investments	9.90	11.75	11.66	13.62	11.03	12.09	11.58	11.66	28 Jun 03
RBF Fixed Interest	2.89	7.77	3.31	4.78	5.59	4.56	4.85	4.82	28 Jun 03
RBF Cash	4.20	4.79	4.98	6.25	7.35	6.19	5.51	4.94	15 Jan 00
Manager specific options:									
State Street Balanced Index	13.48	12.58	15.37	14.35	-12.33	4.97	8.12	5.09	27 Oct 01
State Street Australian Shares Index	20.21	24.68	21.12	28.54	-14.68	9.92	14.76	10.43	3 Nov 01
Maple-Brown Abbott Balanced	n/a	12.47	11.63	16.20	-10.29	5.18	N/A	8.63	5 Jul 03
Maple-Brown Abbott Australian Shares	22.77	21.08	15.91	28.28	-14.48	8.34	13.57	13.49	28 Jun 03



Crediting rates – RBF Term Allocated Pension Account

	05–06	06–07	07–08	3 years	Since inception	Inception date
	%	%	%	% pa	% pa	
Diversified options:						
RBF Actively Managed	14.18	16.20	-6.68	7.38	7.38	1 Jul 05
RBF Long Term Growth	16.98	19.50	-10.76	7.65	7.65	1 Jul 05
RBF Diversified Growth	13.61	15.89	-7.88	6.64	6.64	1 Jul 05
RBF Conservative Growth	8.07	9.62	-0.41	5.66	5.66	1 Jul 05
RBF Socially Responsible Investments	14.65	13.57	-7.74	6.30	6.30	1 Jul 05
Asset class options:						
RBF Australian Shares	19.41	27.17	-15.73	8.57	8.57	1 Jul 05
RBF International Shares	18.63	12.31	-20.06	2.12	2.12	1 Jul 05
RBF Property & Alternative Investments	11.66	13.62	11.03	12.09	12.09	1 Jul 05
RBF Fixed Interest	3.31	4.78	5.59	4.56	4.56	1 Jul 05
RBF Cash	4.98	6.25	7.35	6.19	6.19	1 Jul 05
Manager specific options:						
State Street Balanced Index	15.37	14.35	-12.33	4.97	4.97	1 Jul 05
State Street Australian Shares Index	21.12	28.54	-14.68	9.92	9.92	1 Jul 05
Maple-Brown Abbott Balanced	11.63	16.20	-10.29	5.18	5.18	1 Jul 05
Maple-Brown Abbott Australian Shares	15.91	28.28	-14.48	8.34	8.34	1 Jul 05

Defined benefit schemes

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

Performance objective

The performance objective for the defined benefits funds are for investment returns (after investment management fees and tax):

- 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 the RBF Contributory

Scheme, State Fire Commission Superannuation Scheme, Tasmanian Ambulance Service Superannuation Scheme, or the Parliamentary Schemes.

Investment strategy – asset allocation at 30 June 2008

The investment strategy used by the Board to achieve 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 may vary from time to time to reflect the Board's view of different investment markets, within the predetermined ranges shown below. During the year the Board revised asset allocations for each asset class as well as dividing the Property and Alternative Investments asset class into separate asset classes.

Asset allocation – defined benefit schemes

RBF Contributory Scheme						
Parliamentary Superannuation Fund						
Parliamentary Retiring Benefits Fund						
State Fire Commission						
Superannuation Scheme	Australian Shares	International Shares	Property	Alternative Investments	Fixed Interest	Cash
Tasmanian Ambulance Service Superannuation Scheme	%	%	%	%	%	%
Strategic Asset Allocation	25	25	16	16	10	8
Range within which allocations can vary	15–35	15–35	6–26	6–26	0–20	0–18

Historical investment returns

Net return (after investment fees & tax)	03–04	04–05	05–06	06–07	07–08	% pa
	%	%	%	%	%	
RBF Contributory Scheme	12.7	12.8	13.3	15.2	–3.7	9.8% over 5 years
Parliamentary Superannuation Fund	12.7	12.5	13.5	14.6	–5.2	8.8% since 1 Jan 2003
Parliamentary Retiring Benefits Fund	12.7	12.5	13.5	14.6	–5.2	8.8% since 1 Jan 2003
State Fire Commission						
Superannuation Scheme	-	-	-	14.5	–5.2	8.6% since June 2006
Tasmanian Ambulance Service						
Superannuation Scheme	-	-	-	14.5	–5.2	8.6% since June 2006

Investment returns compared to investment objectives

Net return (after investment fees & tax)	1 year	3 years	5 years
	%	% pa	% pa
RBF Contributory Scheme	–3.7	7.9	9.8
Parliamentary Superannuation Fund	–5.2	7.2	9.4
Parliamentary Retiring Benefits Fund	–5.2	7.2	9.4
State Fire Commission Superannuation Scheme	–5.2	2.8	N/A
Tasmanian Ambulance Services Superannuation Scheme	–5.2	2.8	N/A
Objectives: CPI + 4.5% pa	9.0	8.0	7.6

Investment management fees

During the 2007–08 financial year RBF reviewed the level of all investment management fees. The following fees apply from 1 July 2008.

Member Investment Choice (MIC) Option	Base investment fee % pa	Performance-related investment fee % pa	Total investment fees % pa
Diversified options:			
RBF Actively Managed	0.62	0.05	0.67
RBF Long Term Growth	0.62	0.04	0.66
RBF Diversified Growth	0.54	0.03	0.57
RBF Conservative Growth	0.39	0.01	0.40
RBF Socially Responsible Investments	0.85	0.00	0.85
Asset class options:			
RBF Australian Shares	0.55	0.04	0.59
RBF International Shares	0.69	0.00	0.69
RBF Property & Alternative Investments	0.79	0.12	0.90
RBF Fixed Interest	0.36	0.00	0.36
RBF Cash	0.03	0.00	0.03
Manager specific options:			
State Street Australian Shares Index	0.15	0.00	0.15
State Street Balanced Index	0.26	0.00	0.26
Maple-Brown Abbott Australian Shares	0.39	0.00	0.39
Maple-Brown Abbott Balanced	1.00	0.00	1.00

Investment management fees should be treated as an estimate of fees payable in the financial year commencing 1 July 2008. These fees are based on the costs incurred over the calendar year ended 31 December 2007 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 calendar year ended 31 December 2007 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.



Defined Benefit Scheme	Total investment fees % pa
RBF Contributory Scheme	0.64
Parliamentary Superannuation Fund	0.75
Parliamentary Retiring Benefits Fund	0.72
State Fire Commission Superannuation Scheme	0.65
Tasmanian Ambulance Service Superannuation Scheme	0.66

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.

Changes to investments

During the 2007–08 financial year, several changes were made to the investment managers used by the RBF Board. Within the International Shares asset class, a new investment was made with Pzena Investment Management. Within the Fixed Interest asset class a new investment was made with Brandywine, whilst in the Property and Alternatives asset class new investments were made with JANA Asset Consultants, Tasmanian Gateway Consortium Holdings, AMP and Macquarie Retirement Villages Group.

Ongoing review by the Board’s Investment and Asset Allocation Committee of manager under performance and the structure of the funds portfolio resulted in the termination of investments with International Shares manager BIAM Australia Ltd and Fixed Interest manager, Portfolio Partners.

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.

Funds Under Management

Funds under Management (FUM) as at 30 June 2008

	2006-07 \$ million	2007-08 \$ million	2007-08 % of FUM
Australian Shares			
452 Capital	210.3	168.5	4.94%
Maple-Brown Abbott discretely managed	322.5	251.5	7.37%
Australian Equity Trust (MIC option)	12.9	12.8	0.38%
State Street Global Advisors discretely managed	344.8	262.4	7.69%
Australian Index Equities Trust (MIC option)	10.7	12.7	0.37%
Long/short Equitised Trust	112.0	96.6	2.83%
Warakirri New Dimensions Fund	144.3	120.6	3.53%
AMP Capital Investors Sustainable Future Australian Share Fund (for MIC option)	3.0	3.6	0.11%
International Shares			
AllianceBernstein Australia Limited	172.3	144.1	4.22%
Baillie Gifford Overseas Limited	62.8	61.4	1.80%
BIAM Australia Ltd discretely managed	130.6	-	0.00%
Australia Ethical International Fund (for MIC option)	1.0	-	0.00%
Capital International	206.4	201.6	5.91%
Goldman Sachs Global Fund	70.3	57.3	1.68%
Lazard Global Opportunities Fund	72.3	67.5	1.98%
JP Morgan Currency Hedge	12.1	1.5	0.04%
Wellington Global Strategic Fund	61.1	64.3	1.88%
Pzena Investment Management LLC	-	57.4	1.68%
Diversified Fixed Interest			
PIMCO Australia	127.7	96.1	2.82%
Portfolio Partners	70.6	-	0.00%
RBF Board (Mortgages)	140.1	164.4	4.82%
The Super Loans Trust	5.7	5.9	0.17%
Brandywine Global Investment Management LLC	-	73.0	2.14%
Property			
AMP Capital Investors	191.4	217.7	6.38%
Australian Prime Property Fund	176.2	198.5	5.82%
Gresham Property Mezzanine Fund No. 2	3.2	2.9	0.09%
Lend Lease Real Estate Partners No 2 Fund	10.4	9.6	0.28%
Macquarie Goodman Wholesale Fund	22.6	34.0	1.00%
RBF Board (Direct Property)	46.8	59.0	1.73%
AMP Select Property Portfolio 3	-	11.3	0.33%



	2006-07 \$ million	2007-08 \$ million	2007-08 % of FUM
Lend Lease Real Estate Communities	-	15.8	0.46%
Macquarie Retirement Villages Group	-	72.2	2.12%
Alternative Investments			
AMP Capital Investors Limited (Infrastructure)	44.0	30.3	0.89%
BGI Total Return Multi-Opportunity Fund (Absolute Return)	34.6	37.0	1.08%
Bridgewater All Weather Fund (Hedge Fund)	50.2	61.6	1.81%
First Tasmania Investments Ltd (Private Equity)	1.4	1.0	0.03%
GMO Multi-Strategy Trust (Absolute Return)	27.4	30.6	0.90%
Hastings High Yield Fund (Infrastructure Debt)	43.9	53.6	1.57%
Industry Funds Management (Private Equity)	7.2	6.6	0.19%
Utilities Trust of Australia Pty Ltd (Infrastructure)	100.1	127.5	3.74%
Maple-Brown Abbott – Diversified Investment Trust (MIC option)	3.9	3.5	0.10%
State Street Global Advisors – Passive Balanced Trust (MIC option)	2.9	2.6	0.08%
Triplepoint (Absolute Return)	-	51.8	1.52%
Tasmanian Gateway Holdings Corporation Pty Limited (Infrastructure)	-	99.8	2.93%
AMP Strategic Infrastructure Trust of Europe	-	23.2	0.68%
Cash			
Cash at Bank	4.5	10.3	0.30%
Perennial Investment Partners (Cash Enhanced)	219.7	172.9	5.07%
Tascorp	199.3	155.2	4.55%
Total RBF	3,483.2	3,411.7	100.00%



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 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, in accordance with the legislation.

Committees

To assist in the efficient operation of the Fund, the 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 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 objective of the **Governance Committee** is to ensure that corporate objectives, strategy, business operations and activities are monitored, reviewed, controlled and assessed. The committee thereby ensures that the activities of the Board are carried out in accordance with corporate objectives, strategies and practices and pertinent laws and regulations.

The constitution of the committees as at June 2008 was as follows.

	Investment & Asset Allocation Committee	Governance Committee
Chairperson	D Egan	D Egan
Voting Members	N Ellis K Besharati L Jones	A Schiwy J Wilcox
Non-Voting Executive Member	Chief Executive Officer	Chief Executive Officer

Board Members

The Governor appoints the members of the Board. The Board is the Trustee of the Fund. The names of the Board members who held office during the year are as follows. Kim Backhouse resigned from the Board effective 12 May 2008.

Damian Egan

President of the Board (non-voting)
Nominee of the Minister, with the agreement of the Tasmanian Trades and Labor Council (now operating as Unions Tasmania)
Current Term: 4/9/2006 – 3/9/2009
Board Member since 1995 and President since 1996



Chairman of the Governance Committee and the Investment and Asset Allocation Committee

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

Andrea Schiwy

Deputy President of the Board
Nominee of the Minister
Current Term: 1/7/2007 – 30/6/2010
Member of the Investment and Asset Allocation Committee to 30 January 2008



Current Member of the Governance Committee

Ms Schiwy is a member of the Social Security Appeals Tribunal, Nursing Board Tribunal and Legal Profession Disciplinary Tribunal.

John Wilcox

Nominee of the Minister
Current Term: 1/10/2006 – 30/9/2009
Member of the Governance Committee
Mr Wilcox is a semi-retired Chartered Accountant.





Kim Besharati

Nominee of the Minister
Current Term: 4/9/2006 – 3/9/2009
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 (now operating as Unions Tasmania)
Current Term: 1/7/2007 – 30/6/2010
Member of the Governance Committee to 30 January 2008
Current Member of the Investment and Asset Allocation Committee
Mr Jones is the Tasmanian Branch President of the CPSU (SPSFT) and is semi-retired.



Neroli Ellis

Elected by members of the RBF Contributory Scheme
Current Term: 1/7/2007 – 30/6/2010
Member of the Investment and Asset Allocation Committee
Ms Ellis is the Branch Secretary of the Tasmanian branch of the Australian Nursing Federation.



Simon Gillies

Chief Executive Officer
As Chief Executive Officer, Mr Gillies 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 has been Chief Executive Officer since 28 July 2005.



Liability risk management

The Board purchased insurance to indemnify Board Members for the 2007–08 financial year.

Board Protocol

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

Legislative Changes

A number of legislative amendments were made to give effect to the Commonwealth Government *Better Super* initiatives. In accordance with the timeframe for implementation of the Commonwealth changes, these amendments took effect on 1 July 2007. The relevant amendments are contained in the following instruments:

- Retirement Benefits Amendment Regulations 2007
- Retirement Benefits (Parliamentary Superannuation) Amendment Regulations 2007
- Tasmanian Accumulation Scheme Amendment Deed (No. 1) 2007
- State Fire Commission Superannuation Scheme Amendment Deed (No. 1) 2007
- Tasmanian Ambulance Service Superannuation Scheme Amendment Deed (No. 1) 2007.

RBF Board policies

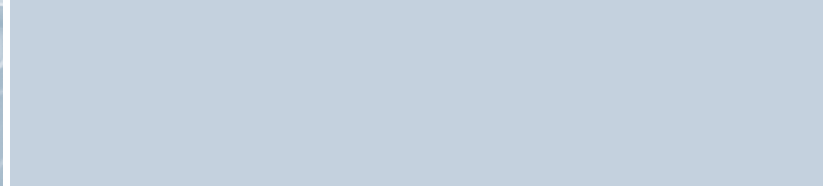
To assist the Board as Corporate Trustee and ensure the exercise of its duties and obligations are undertaken in the best interests of all stakeholders, the Board has policies on the following issues:

- privacy
- investment strategy
- sponsorship evaluation
- Board Member conflict of interest
- direct contact by service providers with Board Members
- Board Members obtaining independent advice
- delegated officer conflict of interest policy
- *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

Financial Summary as at 30 June 2008

	\$'000 2008	\$'000 2007
RBF Contributory Scheme		
Statement of Net Assets as at 30 June		
Investments	1,620,936	1,694,118
Other assets	43,835	37,728
Total assets	1,664,771	1,731,846
Liabilities	107,165	82,505
Net assets available to pay benefits	1,557,606	1,649,341
Statement of Changes in Net Assets		
Net assets available to pay benefits at the beginning of the financial year	1,649,341	1,434,840
Investment revenue	(56,534)	241,340
Contribution revenue	224,802	197,262
Other revenue	(6,689)	(4,108)
General administration & other expenses	9,227	9,823
Benefits paid	243,590	214,182
Taxation expense/(benefit)	(497)	4,012
Net assets available to pay benefits at the end of the financial year	1,557,606	1,649,341
RBF Investment Account		
Statement of Financial Position as at 30 June		
Investments	1,065,352	1,145,116
Other assets	90,452	48,537
Total assets	1,155,804	1,193,653
Liabilities	36,236	45,147
Net assets available to pay benefits	1,119,568	1,148,506
Operating Statement for the Year Ended 30 June		
Net investment revenue	(75,618)	143,839
Contribution revenue	306,257	285,653
Total revenue	230,639	429,492
General administration & other expenses	13,666	9,316
Taxation (benefit)/expense	1,796	(15,982)
Benefits accrued from ordinary operations	218,769	404,194



	\$'000 2008	\$'000 2007
Tasmanian Accumulation Scheme		
Statement of Financial Position as at 30 June		
Investments	573,932	522,265
Other assets	4,430	333
Total assets	578,362	522,598
Liabilities	52,055	56,370
Net assets available to pay benefits	526,307	466,228
Operating Statement for the Year Ended 30 June		
Net investment revenue	(40,833)	67,414
Contribution revenue	211,518	119,419
Total revenue	170,685	186,833
General administration & other expenses	10,693	8,739
Taxation expense	(6,184)	(13,680)
Benefits accrued as a result of operations	153,808	164,414
Parliamentary Superannuation Fund		
Statement of Net Assets as at 30 June		
Investments	6,921	7,698
Other assets	20	39
Total assets	6,941	7,737
Liabilities	1,150	949
Net assets available to pay benefits	5,791	6,788
Statement of Changes in Net Assets		
Net assets available to pay benefits at the beginning of the financial year	6,788	6,421
Investment revenue	(466)	990
Contribution revenue	971	1,005
Other revenue	-	-
General administration & other expenses	198	127
Benefits paid	1,332	1,335
Taxation (benefit)/expense	28	(166)
Net assets available to pay benefits at the end of the financial year	5,791	6,788
Parliamentary Retiring Benefits Fund		
Statement of Net Assets as at 30 June		
Investments	8,942	10,152
Other assets	76	88
Total assets	9,018	10,240
Liabilities	1,506	1,271
Net assets available to pay benefits	7,512	8,969
Statement of Changes in Net Assets		
Net assets available to pay benefits at the beginning of the financial year	8,969	7,466
Investment revenue	(631)	1,327
Contribution revenue	558	547
Other revenue	1	-
General administration & other expenses	398	243
Benefits paid	1,050	-
Taxation (benefit)/expense	63	(128)
Net assets available to pay benefits at the end of the financial year	7,512	8,969



	\$'000 2008	\$'000 2007
State Fire Commission Superannuation Scheme		
Statement of Net Assets as at 30 June		
Investments	63,833	66,883
Other assets	209	200
Total assets	64,042	67,083
Liabilities	3,626	2,998
Net assets available to pay benefits	60,416	64,085
Statement of Changes in Net Assets		
Net assets available to pay benefits at the beginning of the financial year	64,085	56,423
Investment revenue	(4,355)	8,796
Contribution revenue	3,002	2,932
Other revenue	3	-
General administration & other expenses	788	470
Benefits paid	1,787	2,699
Taxation (benefit)/expense	256	(897)
Net assets available to pay benefits at the end of the financial year	60,416	64,085
Tasmanian Ambulance Service Superannuation Scheme		
Statement of Net Assets as at 30 June		
Investments	38,016	39,350
Other assets	237	133
Total assets	38,253	39,483
Liabilities	3,632	1,421
Net assets available to pay benefits	34,621	38,062
Statement of Changes in Net Assets		
Net assets available to pay benefits at the beginning of the financial year	38,062	32,136
Investment revenue	(2,596)	5,217
Contribution revenue	2,199	2,296
Other revenue	1	-
General administration & other expenses	462	396
Benefits paid	2,729	638
Taxation (benefit)/expense	146	(553)
Net assets available to pay benefits at the end of the financial year	34,621	38,062

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The privacy of your personal information is important to RBF. We understand the need for privacy. RBF will hold your personal information securely and use it only for the purposes described in the RBF Privacy Statement. Your personal information may be transferred between RBF and RBF-TAS Planning Pty Ltd. 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 personal information held by the Board. The privacy of members is protected by confidentiality and privacy clauses contained in the agreements with such service providers. The RBF Privacy Statement is available on the RBF website at 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, State Fire Commission Superannuation Scheme Trust Deed, Tasmanian Ambulance Service Superannuation Scheme Trust Deed or the governing legislation, the Trust Deeds 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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