



Community and Public Sector Union

CPSU (State Public Services Federation Tasmania) Inc. - CPSU (SPSF Group, Tasmanian Branch)

Wednesday, 20 April 2016

Ms Gabrielle Woods
Inquiry Secretary
Parliament House
Hobart TAS 7000

Dear Ms Woods,

Re: Sub-Committee Inquiry into the RBF Unfunded Liability

I would like to thank the Committee for the opportunity to make a submission to this inquiry. I make the submission on behalf of the Community & Public Sector Union (SPSFT) Inc.

The CPSU represents workers employed in the Tasmanian State Service, at the University of Tasmania and in many Government Business Enterprises. As such the vast majority of our members are currently members of the Retirement Benefits Fund – about half of them members of the RBF Defined benefit Scheme. We therefore have a significant interest in matters in regard to the RBF Defined Benefits Scheme.

While the CPSU closely follows updates on the state's liability in regard to the RBF Defined Benefits Scheme we are not experts so we will leave the question of why the contribution rate has changed over time to others. Instead we would like to remind the Committee that decisions that have been taken over the years in regard to funding the liability have been taken by governments and not by the employees who are members of the scheme.

These employees joined a superannuation fund that placed certain obligations on them and for which, in return, they were guaranteed a certain outcome. Members of the RBF Defined Benefits scheme have each fulfilled their obligations by making after tax contributions calculated as a percentage of their income to the fund on a fortnightly basis. By comparison their employer has made a range of decisions in regard to meeting their obligations and the fact it has chosen not to fund the scheme on an ongoing basis should not have any impact on the rights or entitlements of scheme members.

We welcome your inquiry insofar that it will provide the government with an opportunity to clarify how it intends to fund the emerging liability and for the community to better understand this issue but ask that as far as possible the inquiry is not allowed to be used by those in the community who think that the benefits owing to members of the RBF Defined Benefit scheme should be reduced because successive government have chosen not to fund their contributions as they go.

Yours sincerely,

Tom Lynch
General Secretary
CPSU (SPSFT) Inc.