



**POLICE  
ASSOCIATION  
OF  
TASMANIA**

Founded 1923

*Unity*

*Equity*

*Friendship*

All correspondence to  
be addressed to:

The General Secretary  
Mark Kadziolka

107 New Town Road,  
New Town,  
Tasmania 7008.

Telephone: 03 6278 1900  
Facsimile: 03 6278 1315  
Email: [pat@pat.asn.au](mailto:pat@pat.asn.au)  
Web: <http://www.pat.asn.au>  
ABN: 37 480 634 459

21 April 2016

Ms R Forrest  
Inquiry Chair  
Parliament House  
HOBART TAS 7000

Dear Ms Forrest

**POLICE ASSOCIATION OF TASMANIA SUBMISSION – LEGISLATIVE COUNCIL  
GOVERNMENT ADMINISTRATION SUB-COMMITTEE, RBF UNFUNDED  
LIABILITY INQUIRY**

Thank you for the opportunity to make a submission to the Inquiry.

The PAT is the registered organisation representing the industrial and employment interests of Tasmanian police officers. The PAT makes the following submission on behalf of our existing members (approximately 480) who are covered by the RBF Contributory Scheme (the Scheme). In addition, the PAT's comments equally represent the interests of our former members who have retired and are entitled to the continuing benefits of the Scheme.

Over recent years there has been occasional comment on the level of unfunded liability with advocacy for change by transferring Scheme members to the Tasmanian Accumulation Scheme. The advocacy for this has, in the PAT's view, been narrow and simplistic to the extent that the solution that is proposed as realistic is to reduce legally held benefits. Traversing the extensive history of this issue and the legal, moral and policy implications are, it seems, an unnecessary consideration.

Soon after gaining employment with Tasmania Police our members would have joined the Scheme, individually giving their agreement to reciprocal obligations and rights. Members' rights applicable to early retirement on the grounds of ill-health and benefits on reaching retirement age were clear on joining, and are now still well understood. Contributory members as with all

persons with superannuation have expectations based on the knowledge of their entitlements, by which they plan and structure their affairs. It would be unconscionable to extinguish the contractual connection between the Scheme and its members by legislation and unravel members' future plans.

The prospect of reducing the entitlements of the Scheme's members should be viewed as grossly unfair. The reason this issue has currency is the concern regarding the cost implications for the State. While the PAT is not dismissing these concerns it cannot accept the prospect that the Scheme's individual members who have the least control over the problem, could possibly be the ones who ultimately take responsibility. Individual members did not construct the Scheme, they did not make the offer for participation and most relevantly, did not manage the State's budget over the decades. This on its own should be sufficient for Tasmanian policy makers and with respect, this Inquiry, to support the position that entitlements accruing to Scheme members are not diminished or meddled with now, or in the future.

Reducing superannuation benefits for existing Scheme members would be an untenable development. The usual model for adjustment is to close the fund to new members, as occurred in 1999 with the Scheme and the concurrent introduction of the Tasmanian Accumulation Scheme, and/or, change the rules prospectively so as not to negatively affect existing members. Changing the entitlements of existing Scheme members may create concern regarding all government employees' entitlements and damage the State's reputation, as it would be viewed as unreliable with its commitments.

The PAT is pleased that the Government has given an assurance not to alter benefits. This is the responsible course of action. It is responsible because while the question over entitlements persists, the potential for a toxic debate exists. Disparaging discussion over the cost of government pensions has the risk of generating 'pension envy'. Our members have enough difficulty coping with everyday work in an increasingly negative environment without a debate on whether they deserve their pension entitlements, usually earned after decades of serving the community.

It is clear that the community values its public services as well as those who provide them. The problem is not the employees and they should not be responsible for the unfunded liability. The obvious answer is economic growth, which is the responsibility of Government and Parliament. Economic Growth in Tasmania will not be assisted by reducing the retirement income of our members and other public sector retirees.

The PAT submission reflects concerns expressed to officials by our members. The PAT trusts that any comment made to the Inquiry proposing or suggesting a reduction in benefits to address the unfunded liability will be dismissed, on the grounds specified.

Yours sincerely



Mark Kadziolka  
**GENERAL SECRETARY**