From: Ruth Forrest <ruth.forrest@parliament.tas.gov.au>
Subject: Re: Unfunded Superannuation Liability
Date: 6 April 2026 at 11:16:49 am AEST
To: John Pauley <john@pauley.com.au>
Cc: Yvonne Stone <Yvonne.Stone@parliament.tas.gov.au>

Dear Mr Pauley,

Thank you for your correspondence and for your patience. I apologise for the delay in replying - it was an oversight, not a lack of respect for you or your members. As you would appreciate, I chair multiple committees and inquiries each year, with only one staff member to assist me. Your email arrived at an incredibly busy period and I attend to all my own emails I acknowledge that some may not have responded to. Unfortunately, at times, correspondence is inadvertently missed. I regret that this occurred in this instance.

I want to address your concerns directly and clearly.

It is true that I have consistently drawn attention to the annual cost of unfunded superannuation. I have done so for one reason only: because these payments represent a form of **de facto debt servicing** that must be met on an emerging-cost basis from current revenue. Tasmania's unfunded defined benefit liability has long been significantly higher, proportionately, than that of other States. It was therefore misleading - as successive governments tended to do - to gloss over this reality while simultaneously championing their supposed "path to surplus". We now know how much of that narrative was, frankly, deceptive. That is why I kept the issue on the table. It was never, as you allege, because I harbour any desire to curtail the scheme or diminish members' entitlements.

Your attempt to link my views to those of Saul Eslake is, in my view, inappropriate. I read Saul's work, I respect his analysis, and I quote him when relevant - as I do many commentators. But it is disrespectful to use your opinion of him as a proxy to criticize me. Guilt-by-association stretched that far is not a reasonable argument.

I am fully cognisant of how the defined benefit scheme operates. If I may correct one of the misunderstandings in your letter: the Treasurer you refer to did **not** "raid" your members' superannuation. The problem was more fundamental - the government of the day **never set aside the money in the first place**. Appropriations were made, book entries were created, but there was no cash backing the Superannuation Provision Account. A cursory reading of the Treasurer's Annual Financial Reports confirms this. If one wishes to criticise others for their lack of understanding, it is wise to ensure one's own understanding is rigorous.

You may recall that in 2016 I chaired a Parliamentary inquiry into the defined benefit scheme - an inquiry to which your Association made a submission. The entire purpose of that process was to put all the facts on the table, to dispel misconceptions, and to ensure that public discussion occurred in a more informed environment. It is therefore disappointing to see some of the very misunderstandings we sought to correct now being directed at me by a few of your members based on comments you have made in newsletters/correspondence to your members.

I understand you have expressed to your members your disappointment that I did not respond to your earlier correspondence. As I have explained, this was an administrative oversight, not a refusal to engage. As Chair of the Public Accounts Committee, Sessional Committee A, the GBE Committee and Estimates, I conduct more inquiries than any other member of Parliament. I receive a very large volume of correspondence, and with limited staff, some replies regrettably do get overlooked. That does not reflect my respect for you or your members.

Let me be absolutely clear: **I have never advocated reducing the entitlements of defined benefit members.** My interest in unfunded superannuation arises solely because it is a material component of the State's financial position. It is part of the fiscal fabric of government - not a target for cuts, and not an area where I have ever proposed diminishing anyone's legal rights or entitlements.

Now that I have provided a considered response, I would appreciate it if you would correct the record with your members and circulate this explanation. It is important to me that they understand the reason I have raised unfunded superannuation in budget discussions: because it is a significant financial obligation of the State, not because I have any "abiding interest" in limiting their entitlements.

I trust this clarifies my position.

Yours sincerely,

Ruth

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