



**Tasplan
super**

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Media Release

Tasplan is Tasmania's largest multi-industry super fund with over 90,000 members, 8000 participating employers and \$600,000,000 of funds under management

BREAKTHROUGH SUPER DECISION 26/11/04

Tasmania's superannuation industry has praised the Launceston City Council (LCC) and the Australian Services Union (ASU) on successfully negotiating a very significant increase in superannuation contributions for the Council workforce.

As part of the re-negotiation of an Enterprise Agreement, the LCC has agreed to increase its superannuation contributions from the mandatory 9% to 12% over the next three years.

According to the General Manager of Tasplan Super, Neil Cassidy, the decision is made the more significant by the fact that the LCC has acknowledged the changing circumstances of its workforce in its agreement to turn into super what would have otherwise been a more traditional salary increase over the same period.

Having a significant proportion of its workforce aged over 50, the LCC was sympathetic to an ASU proposal that the EBA needed to address the retirement needs of an ageing Council workforce.

According to ASU Secretary, Sean Kelly, there was an awareness that most employees would not have enough superannuation to provide the lifestyle that they deserved at the end of a long working life. With this in mind, the EBA Bargaining Team decided to negotiate an outcome that would increase employee superannuation savings while remaining attractive to the employer.

Historically, the Council had made the compulsory and minimum contribution of 9% super. The joint EBA negotiation team acknowledged that such a level of contribution would fail to provide adequate superannuation for the majority of employees in retirement leaving many to become dependent on the age pension.

The team also believed that increased contributions into superannuation would make the Council a more attractive employer for prospective employees. It was known that in recent years difficulties had been experienced by the LCC in recruiting certain classes of employees - especially professionals in the areas of engineering and planning. To be able to offer a salary package which included an attractive superannuation component would help overcome this problem. The view taken was that any claim that would help facilitate more effective recruitment would be received favourably by management.

The ASU subsequently put a claim to management for a 4.5% increase per annum over a 3 year period and that in lieu of salary, 1% of this would be contributed to super each year effectively increasing Council's total superannuation contribution to 12% - a decidedly more attractive proposition than the superannuation guarantee of 9% for prospective employees considering a career with the Council.

At the end of the negotiations, the claim was agreed to by the Council making Launceston the first local government body to achieve increases to superannuation through the enterprise bargaining process.

Sean Kelly believes that the flow-on effect throughout the rest of local government (nationally as well as at State level) should be of considerable benefit to union members over the next few years as more superannuation increases are awarded across the country.

Tasplan GM, Neil Cassidy, has congratulated the ASU and the LCC on reaching a decision based on the needs of the Council's ageing workforce.