

TASMANIAN ASSOCIATION OF STATE
SUPERANNUANTS
SUPER-NEWS

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The Newsletter for and by TASS members

36 Years Old

To contact the TASS executive

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**Annual General Meeting
Tuesday 16th March
Starting at 1.30pm
50 and Better Centre
108 Bathurst St
Lower meeting room
All prospective and current
members welcome
Expect closure before 3.30**

EDITORIAL

This issue should reach you just before the March State election. Please read relevant information and make a considered vote.

Like many organisations which rely on a volunteer workforce, TASS is fast approaching a crisis. On page 2 is an item asking for newer superannuants to offer their time to serve on the executive of TASS. Many on the executive have served for over 15 years and there is a pressing need for younger and more agile minds to take over, if TASS is to have a future. Please either offer your time or convince a recent retiree to stand for office. As perusal of the reports will show TASS is in a very good financial situation and has a well tested organisational structure. The challenge is the average age which is too high.

A number of our members have commented positively on the recent advertisements in the press, drawing attention to indexation and also the various replies from political parties. These advertisements help to inform the general public and non member superannuants of the main issues faced by all State superannuants.

Finally to the TASS (your TASS) Annual General meeting. To the left is the notice of meeting. If at all possible please attend the meeting and indicate your support for what we are doing. Although we really do need more young blood on the executive, it will be quite safe to attend. TASS has never, and will never shame any member into standing if that member does not wish to stand. However if you are a retired 55 to 65 year old, please consider this request. There is also room for a person who although not wishing to join the executive, may be prepared to undertake and report to the executive on a specific superannuant issue. Ed.

Will TASS Continue?

It was over 35 years ago that a number of Tasmanian retired public servants recognised the need to form a representative body to promote the interests of RBF superannuants. Over the years TASS has presented our views at both State and Federal levels and kept our members informed by Super-News. All the positions on the executive are on a voluntary basis and the organisation has nearly ceased to operate due to the lack of members on the executive. A number of retirements this year mean we are again approaching this situation. The last crisis occurred in 1994 when a motion to wind up the affairs of TASS was debated. At that meeting 16 years ago, Lance Brown, Rob. vanSchie, Gerri Bitt, Kevin Hardy and Tony Haig and others were elected to the executive. All those mentioned were at their first meeting and all are still on the executive. It may come as no surprise that we are now all a little bit older and would welcome younger blood to take over. The situation at each AGM is that all positions are declared vacant, nominations sought, and if necessary election held. While we have welcomed some younger members to the executive in recent years, we do need more if TASS is to continue. As our current President, Tony Robinson has stated, 'Although TASS has made gains over the years, we are now in a situation where it is necessary to protect what we already have.' TASS is the only organisation that directly represents RBF superannuants.

To those members who have retired recently, especially those on an RBF defined benefit pension, we really need your help if TASS is to continue.

After 16 years as Treasurer, Lance Brown is standing down. As are Malcolm Jones as Web Master and Kay Jones as Minute Secretary. Kevin Hardy as Membership officer has also indicated that he would like to stand down in 12 months if not earlier. There are only 11 meetings of the executive each year and currently these are held on the third Tuesday of the month. Please phone any member of the executive if you could offer yourself for any position. I feel quite sure that no current member of the executive would be upset if he lost an election for a position presently held. This could release that member to fill some other role on the executive.

As mentioned in the editorial, there is also a role that could be filled by a person who, although not wishing to join the executive, would be prepared to undertake specific superannuant studies at home, and report the findings to the executive. Again if you feel this could be you please contact any member of the executive.

Please help TASS to continue. Ed.

Future Meetings

AGM Tuesday 16th March 50 and Better Centre, 108 Bathurst St

Executive Meeting Tuesday 20 April, Forestry Tas. Bathurst St. 1.30pm

Northern General Meeting *Probably* Wednesday 19th May. Venue and other details will be in May edition of Super-News.

President's Report

I am pleased to be able to report that for the past year TASS has worked assiduously to support its members in every way it can. And I gratefully acknowledge the work done by each member of the executive in this regard.

Special thanks are also extended to June and Bert Hazzlewood for representing TASS in the Northern Tasmania. These are very challenging times for RBF superannuants, and indeed superannuants generally. There can be no doubt at all that there have been forces at work in more recent times which not only mitigate against any justified improvements in entitlements for superannuants, but have actually reduced benefits.

Note that in May 2009 Harmer pension review pension arrangements were set so that the income test reduces pension eligibility for part pensioners such as some superannuants, even though the change occurs over time. The Australian Government readily accepted The Harmer Report and implemented its provisions.

In another example Australian and State Governments have sought to justify their opposition to indexing defined benefit superannuation schemes the same way as Social Security pensions are indexed, by ignoring the findings of enquiries that supported us and set up new enquiries that favoured the government.

TASS has very actively supported kindred organisations such as AIR, ACPSRO and South Australian Superannuants during the year in making submissions to Government on matters of Commonwealth interest.

Tony Haig and I visited Canberra in October last year take part in the AGM of ACPSRO which was addressed by Senator Lundy. We also took the opportunity to join with Dr. Ray Hickman of the South Australian Association to lobby senior staff of Federal Treasury as well as those who are with Hon. Jenny Macklin. Details were included in earlier Super-News.

Of special significance has been our full-on campaign to press for RBF pensions to be indexed bi-annually by the greater of CPI movements or increases in the total average weekly earnings. In this regard we have:-

1. Spent almost \$2,000 on paid advertisements.
2. Put a written submission to Tasmania's three political party leaders to justify our case for better indexation.
3. Requested a written reply before the next State election on 20 March.
4. Received and published the responses in the daily newspaper and Super-News.
5. Responded to the Government's argument against our claim by letter and informed TASS members through Super-News.
6. Gained some free air time on ABC radio in support of our indexation case.
7. Approached certain independent election candidates for support.

In conclusion I stress that TASS is of course non political and has been even handed in all it has said and done in fulfilling its constitutional obligations as an organisation.

Tony Robinson President

TASMANIAN ASSOCIATION of STATE SUPERANNUANTS
ABN 31 638 808 031

Affiliate of: The Council on the Ageing (Tas.) Inc.
Australian Council of Public Sector Retiree Organisations Inc.

P.O. Box 66
NEW TOWN
TAS 7008
Phone/Fax (03) 6228 2018
10 Jan 2010

The Hon. David Bartlett
Premier
House of Assembly
Parliament House
Hobart
Tasmania 7000

Dear Mr. Bartlett

Re : Indexation of RBF Pensions

Reference is made to my letter of 26th August 2009 seeking your support for an improvement in the way RBF pensions are indexed, and your reply of 17th November 2009.

This is to inform you that members of my association have expressed to me their extreme disappointment at your total rejection of the merit of what we believe was a well researched and documented case for fairer indexation of RBF defined benefit pensions.

Your reply is one of total denial as to the most fundamental issues we make in support of our case. We are therefore left to conclude that your outright refusal to consider our claim on merit must be ideologically driven.

The fundamental issue here is that the Consumer Price Index (CPI) to which RBF pensions are linked, is not a measure of the Cost of Living, but simply a measure of the price movements of a certain basket of goods. The two are not the same as was articulated by no lesser authority than the Australian Bureau of Statistics (ABS) to the Senate Select Committee on Superannuation and Financial Services, April 2001. And that is the reason why most other pensions are increased by the greater of CPI or Male total Average Weekly Earnings (MTAWE). This point is made clear in the Senate Select Committee's report which states:-

“But the central issue was the disparity between the indexation methods used for the age pension and for Commonwealth benefits. The benefit design specifies the use of the Consumer Price Index (CPI) to adjust the value of the benefits on an annual basis. In keeping with the original intention, the CPI as ‘a measure of inflation’ was expected to maintain the ‘real value’ of the benefits. The Australian Bureau of Statistics stated that the CPI is not a measure of the cost of living. Because of the CPI's proven inadequacy to keep abreast with actual costs of living, the age pension is now adjusted bi-annually through a wage-based indexation mechanism.”

And later in the same report

“Given this, it was the erosion of pensions through the use of the CPI indexation method that became the focal point of the inquiry. The Committee was told that, as a result of its use and the other factors outlined, Commonwealth superannuants form an anomalous group, who fall outside of the safety net provided for age pensioners while sharing their vulnerability. Witnesses reported increasing hardship and difficulty in making ends meet, with many ending up on part age pensions, against all previous expectation. Accordingly, the report has made recommendations to implement immediately a bi-annual adjustment of the CPI and to consider a phased, alternative indexation method. These measures would build a more consistent framework between arrangements for age pensioners, and those for Commonwealth public sector and defence force personnel. The inquiry also revealed that the issues raised about the benefit design of Commonwealth schemes were similar to those affecting the members of State-run schemes. The Committee has recommended that, for equity reasons, the changes made to Commonwealth public sector schemes, proposed in this report, also apply to State public sector schemes, where appropriate.”

The assertion that you make in your letter that CPI indexation was a core design element of the RBF defined benefits scheme is uncorroborated. And the inference to be drawn is that it was the deliberate intention of the law makers that pensions should follow CPI price rises, but be allowed to fall below the real cost of living in more contemporary times.

All of the information ever supplied to State servants has been that the scheme would give ordinary contributors 2/3 of their classification rate of pay after 40 years of service, or pro-rata for lesser years of service. There-after full indexation would apply and preserve its value.

This benefit design to maintain value of the RBF pension is supported very clearly by the published statements issued by the independent Statutory Retirement Benefits Fund Board. In its “RBFTas” report of March 2003 the following appears at Page 7 Quote:-

“What are the Benefits of a life Pension?

-
-
-
- The value of your pension is maintained. (Your pension is indexed with the Consumer Price Index twice a year) “

The question of intent therefore seems manifestly clear.

The same general intention and objective of maintaining the value of retirement pensions was to be found in other jurisdictions- particularly the need to maintain relativity with current pay rates applicable to a persons past held position. The following is to be found at page 21 of the already referred to Senate Select Committee Report :-

Quote

“In the Jess report in 1972, the Joint Select Committee on Defence Forces Retirement Benefits Legislation rejected the use of the CPI as an indexation method, as it judged that the CPI did not fairly represent ‘changes in general community standards’. This view was arrived at by noting the disparity between the AWE and the CPI at the time of the review. Accordingly, the Joint Select Committee concluded that regular indexation related to AWE

would 'ensure that retirees would be able to maintain their position in relation to rising community standards'. The Jess Committee also pointed to the need to maintain the relativity of benefits to the current pay for the rank held on retirement."

You argue that better indexation of RBF pensions at this time could give rise to claims by contributors to this scheme who exercised their right to take a lump sum in lieu of a pension, or part pension.

Obviously individuals have a free choice in this regard when they retire and are responsible for the decision they make.

If Parliament sees merit in changing superannuation law to benefit pensioners then lump sum recipients do not suffer proven loss as a result. In fact if they had been prudent and used their pay-out to reduce a high interest bearing debt; purchased a successful business; or invested wisely they could be better off financially.

Finally I address that paragraph of your letter which states as follows:-

"Furthermore, the growth in MTAWWE reflects labour productivity and various supply and demand issues that affect the labour market. These issues are not related to the Cost of Living which the CPI is designed to capture."

With the greatest respect I must say such comments are not only uninformed but totally wrong.

As a former Deputy President of the Tasmanian Industrial Commission, I believe I am well placed to draw on my accumulated knowledge and experience to express a view contrary to yours in relation to these matters. Needless to say I have many times been involved in setting wages on proper criteria.

I have also at a prior time been an advocate and made submissions to various tribunals in wage cases; some times on behalf of the Tasmanian Government.

Whilst growth in average wages may occur in a variety of ways, the stand out recurring feature of the Australian system has been regular Cost of Living adjustments. Over the years this type of increase may have been applied to the now abandoned basic wage, or the minimum wage, or total Wages.

Cost of Living increases have also flowed on to Tasmania's Service Incremental Payment Scheme by consent of the Tasmanian Government.

I have already comprehensively dealt with the erroneous assertion that the CPI is designed to capture Cost of Living increases.

It is hoped that the new detail we have supplied to you may enable you to revise your decision to refuse our request for RBF superannuation pensions to be indexed in the same way most other pensions are indexed, as detailed earlier.

Your reply to this letter could be included in Super-News with this letter if received before the end of February.

Your sincerely

Tony Robinson
President TASS

REPLIES FROM THE STATE POLITICAL LEADERS

Members may recall that included in the last Super-News was a copy of a letter dated 26th August from TASS to each of the leaders of the State's political parties asking what action that party would take on the issue of the indexation of RBF superannuation pensions.

Replies were received from the three parties. These are summarised below:-

Labor. Produced a 'standard' reply which opposed any change in the method of indexation.

Our President then replied on 10 January outlining a number of points not taken into account. (this letter is included on page 4-6). At the close of our President's letter is an offer to publish the Premier's reply if received before the end of February.

No reply has been received.

Liberal. If elected to Government, they would seek actuarial assessment then happy to discuss with TASS.

Greens. Support legislation for RBF Pensions to be indexed by the greater of CPI or average weekly wage increases.

For Our Members in the North from June Hazzlewood

The Northern branch of the Association of Independent Retirees (AIR) invites you to attend a free Forum on Friday March 19th 2010 at the Punch Bowl Christian Centre, Launceston, proudly sponsored by the Launceston City Council. Welcome by President Bob Mainwaring, Opening by Mayor Alderman Albert van Zetten.

Explore lifestyle opportunities and enjoy Positive Ageing Topics, including:

Lauren Innes, from ACAT, the Assessment for Aged Care Services, David Henty, Life Coach, on Living Longer and Stronger, Dr. James Fell, Pilates for Engaging the Ageing, and Dr. Peter Orpin and Kim Boyer, Healthy Eating, Healthy Ageing

8.30 to 12.45 followed by a light lunch will be served at 12.45. 'Gold' coin requested.

For catering purposes if you would like to attend Please contact Betty of (AIR) by phone 6398 2872 or email: secairnorth@bigpond.com
Thank you for your help.

ANNUAL GENERAL MEETING, TUES. 16TH MARCH 2010

The meeting will be held in the 50 and Better Centre, 108 Bathurst St
Lower meeting room Commencing at 1.30pm

Agenda

- Apologies
- Minutes of 2009 AGM
- Reports (see this newsletter)
- Election of Office bearers
- Election of Auditor and Legal adviser

Election of Office Bearers All positions are declared vacant. Although some of the committee have indicated a willingness to stand, nominations can be made from the floor for any position, or if unable to attend, notification in writing. The positions are President, vice-president, Treasurer, Secretary, Minute Secretary, Membership Officer, Super-News editor and general committee member.

The AGM will be followed by a brief General Meeting

General Meeting

Agenda

- President- Recent events, Q & A Program etc.
- Any general business that members may wish to raise.

The meeting should conclude by 3.30pm

A new method of paying Annual subscriptions

Following a request from members and to hopefully to reduce the work of both Treasurer and Membership Officer, a more simple method has been introduced for existing members to pay their subscriptions.

Those with access to a computer and are registered with their bank or credit union to use electronic banking can pay from home. Those who do not have access to a computer can make an electronic funds transfer from their local bank or credit union.

To transfer your subscription the BSB No. is 633000

The account No. is 113061113 and the account name 'TASS.'

Also make sure that you include your surname and initial so that we can match the subscription to your existing membership.

For new members, unfortunately we will still need a completed membership form with your details for the initial year.

Unaudited Financial Statement & Balance Sheet for
Our Financial year that ended 31st December 2009.

<u>RECEIPTS</u>	<u>\$</u>	<u>PAYMENTS</u>	<u>\$</u>
Bank Interest	Nil	Advertising	666
Donations	2,581	Affiliation Fees	185
Subscriptions 2009	2,831	Conferences	1,347
Subscriptions 2010	7,467	Aus. Taxation Office	1,182
Subscriptions 2011	132	Bank Charges	3
Subscriptions 2012	24	Flyers, membership	671
T/fers from Investments 9,000		Membership, Expenses.	1,318
		Postage of Newsletters	1,723
		Preparation of Newsletters	3,417
		Public Risk Insurance	462
		Rent, PO Box 66	75
		Rent Meeting Rooms	95
		Secretarial Expenses	256
		T/frs to Investments	10,000
		Travelling Expenses	600
		Website Maintenance	954
		Total.=	22,394
	<u>Total = 22,035</u>		

Statement of Investments as at 31 December 2009

Tasmanian Perpetual Trustees	Fixed Term Fund = 70,238
Tasmanian Perpetual Trustees	At Call Fund = 2,351
	Total Investments = 72,589
Cash at Bendigo Bank General Account (Cheque A/c)	= 833
Balance as at 31 December 2009	= <u>73,422</u>

Note: The two computers and are still in use. They now have a total nominal value of \$40.00; neither are shown on our assets as our policy is to write off computers and software in the year they are acquired.

Lance A Brown,
A/Treasurer

\$

TREASURER'S REPORT for the YEAR ENDING 31st DEC. 2009

Mr President and Members,

The annual report and balance sheet, after auditing, show that we have had a successful financial year. In addition we have had about 80 new members that have joined this year, unfortunately there is a larger than usual loss of previous members.

The help from members who continually make donations and the interest from our investments have helped our cash position during 2009. However the rate of interest earned from investments has decreased. The rate will probably increase during 2010. On behalf of the Executive please accept my thanks for these donations. The increase in the postage rates will also add to the expenses for this year.

The investment in the Web-site this year has continued, and the site is of more use to members. As more members become used to getting information from it we expect it will become used more often. We will certainly not be changing entirely to using the Web-site rather than Super/News.

Recruiting of members, particularly for the Executive does not get any easier. We still need new members in both areas, if you interested please come to an Executive meeting as an observer and then decide if you are able to join it.

The Executive members are based in the South of the State because of the travelling costs involved in the monthly meetings; however members from further out are very welcome to write to the Executive to have their ideas heard.

Later in the meeting, as required by our Constitution, we will be setting our dues for 2011 to remain as they are, however we expect to run at a loss this year.

I now move that this Report and the Statement of Receipts and Payments and Balance Sheet for the year ending 31st December 2009 be received and adopted.

*Lance A Brown
Acting Treasurer,*

IRISH MEDICAL DICTIONARY: -

• Artery	The study of paintings.
• Bacteria	Back door to cafeteria.
• Barium	What doctors do when patients die
• Benign	What you be, after you be eight
• Caesarean Section	A neighbourhood in Rome
• Catscan	Searching for Kitty.
• Cauterize	Made eye contact with her.
• Colic	A sheep dog.
• Coma	A punctuation mark.
• Dilate	To live long.
• Enema	Not a friend.
• Fester	Quicker than someone else.
• Fibula	A small lie.
• Impotent	Distinguished, well known.
• Labour Pain	Getting hurt at work.
• Medical Staff	A Doctor's cane.
• Morbid	A higher offer.
• Nitrates	Cheaper than day rates.
• Node	I knew it.
• Outpatient	A person who has fainted.
• Pelvis	Second cousin to Elvis.
• Post Operative	A letter carrier.
• Recovery Room	Place to do upholstery.
• Rectum	Nearly killed him.
• Secretion	Hiding something.
• Seizure	Roman emperor.
• Tablet	A small table.
• Terminal Illness	Getting sick at the airport.
• Tumour	One plus one more.
• Urine	Opposite of you're out.
• 2xCondoms	To be sure, to be sure

From the editor

I do apologise to our members for the lack of humorous items in this issue. As you will realise we do have important items to raise and at a critical time. Nearly all the positive remarks that do come in from our members relate to 'the funnies and puzzles'. Please be patient, the next issue will arrive in May and as this will be post AGM and after the election, it should be possible to include more items of a light hearted nature and also include the helpline on computers.

Food for thought

Always borrow money from a pessimist; he doesn't expect to get repaid.

Middle age is when you have stopped growing at both ends, and have begun to grow in the middle.

You're getting old when 'getting lucky' means you find your car in a parking lot.

USEFUL CONTACT FOR MEMBERS

As a service to members TASS will include a section giving useful contact points (usually telephone numbers) which may be of value to members.

RBF Pension queries or death of a superannuant.....	1800 622 631
Australian Tax Office: income Tax inquiries.....	132861
Superannuation help.....	131020
Tax Refund.....	132863
CENTRELINK	
To book and appointment, regional office.....	131021
Pension enquiries.....	132300
Overseas Pensions.....	131673
Family enquiries.....	131305
Disability, sickness and carer.....	132717
Hearing or speech impairment.....	1800 000 587
Financial services	
Burnie.....	6434 1535
Devonport.....	6424 0665
Launceston.....	6332 8298
Hobart.....	6232 1555
Bellerive.....	6244 0566
Better Hearing Australia (Hobart) voluntary group.....	6228 0011

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PENSION LIMITS AS FROM 20 Sept. 2009 and up until 19 March 2010

INCOME TESTS

Part pension is possible for a couple receiving less than \$2,274 per fortnight
 Single receiving less than \$1,485 per fortnight
For a pensioner couple separated by ill health, less than \$2,935 per fortnight

Commonwealth Seniors Health Card for a couple on less than \$80,000 per year
 For single on less than \$50,000 per year

ASSETS TESTS (not including your home)

a) For Home owners	For Full Pension	For Part Pension
Single Pensioners	Up to \$178,000	Less than \$626,000
Couples(combined)	Up to \$252,500	Less than \$928,000
Couples Sep.due to ill health	Up to \$252,500	Less than \$1,148,500
b) For non-home owners		
Single Pensioners	Up to \$307,000	Less than \$755,000
Couples(Combined)	Up to \$381,500	Less than \$1,057,000
Couples Sep. due to ill health	Up to \$381,500	Less than \$1,277,500

If members compare the above figures with those on the back of the August '09 Super-News they will note that

- 1 The income Test has reduced in each class while
- 2 The Assets Test has increased in each class

This issue has been taken up with the Federal Government.