



Tasmanian
Association of
State
Superannuants Inc.



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SUPER-NEWS

No: 4/24

Summer Edition

November 2024

MERRY CHRISTMAS Christmas Functions

South

Date: Tuesday 10 December 2024

Time: 12 noon for 12:30pm

Where: Boardwalk Bistro (separate area past the bar)
Wrest Point
410 Sandy Bay Road
Sandy Bay
Buffet meal selected & paid individually
\$10 per person contributed by TASS on the day



N.B. *Drinks and meals to be ordered and paid for individually.
Please RSVP to Charles Thomas, 0422 414 861 or info@tass.org.au by Wednesday 4 December at the latest.*



North & North West

Date: Tuesday 17 December 2024

Time: 12:00 noon for 12:30pm

Where: Grain Restaurant
Peppers Silo Hotel
89-91 Lindsay St Launceston
Two course meal \$45 per person
Less \$10 contributed by TASS = \$35 pp

N.B. *Drinks to be paid for individually. The venue can accommodate a maximum number of 30 people. Please RSVP Charles Thomas, 0422 414 861 or info@tass.org.au by Monday 9 December at the latest, noting any dietary requirements.*

TASS will contribute \$10.00 per person to the cost of members' Christmas functions.

RSVP to Charles Thomas, 0422 414 861 or info@tass.org.au by:

Southern function Wednesday 4 December, Northern function Monday 9 December

**** Membership Renewal form enclosed – *complete this to renew your membership for 2025***

Presidents Report – November 2024

Since the last issue of SuperNews, Saul Eslake has released his report into Tasmania's Finances. He has also made a number of public appearances to discuss his report. Saul made a number of recommendations in his report regarding the State's finances. While he has concluded that the efficiency and effectiveness of individual spending programs should be constantly monitored his main recommendations relate to increased revenue raising. His report can be found here:

<http://www.sauleslake.info/independent-review-of-tasmanias-state-finances/>

He proposes the following actions for government:

- Broadening the payroll tax base and lowering the tax free threshold;
- Abolishing stamp duty and replacing it with a broadly based annual land tax;
- Imposing a modest surcharge on rates similar to the existing fire levy ahead of the changes to stamp duty;
- Extending the surcharges on stamp duty and land tax paid by foreign investors;
- Increasing motor vehicle registration fees duties on the purchase of expensive cars; and
- Increasing mineral royalties.

While each of these recommendations has the potential to impact on retirees, the most interesting recommendation Saul has made in his report relates to members of the Retirement Benefits Fund (RBF). Saul has recommended to the Tasmanian Government that it *"explore options for moving the now relatively small number of public sector employees who are still members of defined benefit superannuation schemes which were closed in the late 1990s to defined contribution schemes of which the vast majority of current public and private sector employees are members."*

Unusually for Saul, he has not provided any evidence in support of this recommendation, even though he has devoted a whole section of his report to the discussion of Public Sector superannuation expenses, beginning on page 102. On page 103 he makes the statement that *"the continuing members of these schemes are long serving, relatively senior and well paid employees whose superannuation position is considerably more favourable than the overwhelming majority of current public sector employees."* Even though the data to back up parts of this statement is easy to obtain the report provides no evidence to support this statement.

Data the Tasmanian Association of State Superannuants (TASS) has obtained from the Superannuation Commission indicates that as at the 30 June 2022 there were 3,517 members remaining in the scheme. On average these current employees are aged 56, have been employed by the Tasmanian government for an average of 32.8 years and have an average salary of \$114,182.

One would expect that, on average, public servants who have been employed over this period would be well paid. For both professional and administrative staff the progress of time would have seen them move into more senior positions and even into the Senior Executive Service (SES). And of course, as more senior staff, their superannuation entitlement would be higher than the average public servant which would include a large number of employees with vastly less years of employment who were employed at lower grades.

However, I would seriously question if their position was more favourable. This was not the finding of the 1997 Joint Select Committee Report into Public Sector Superannuation in Tasmania. This report found, in Chapter 6, that an employee who is a member of an Accumulation Scheme, and who makes the same level of personal funding effort into that scheme, will likely end up with a higher end benefit. It is extremely disappointing that the comments made by Saul Eslake did not refer to this finding of the Committee.

As members of the Defined Benefit (DB) scheme, employees have been required to make personal contributions in addition to the notional contribution the Government has made to the scheme. It is therefore quite appropriate that their benefit is higher than an employee who has made no additional contributions beyond the compulsory contribution made under the Superannuation Guarantee arrangements. As such it is hard to sustain the comment by Saul that their superannuation position is considerably more favourable.

Saul states in his Review that *“it has been suggested . . . that the resulting savings . . . could be anywhere between \$2 and \$3 billion.”* However, he makes no attempt to evaluate these claims.

In my view this is a serious omission on his behalf. His approach provides further illustration of the view that our pensions are considered to be an undeserved benefit. It reinforces the view that Defined Benefit pensioners are “fat cats” or as Saul has referred to us, “retired Sir Humphreys”.

It seems we are fair game.

At a presentation given at the University of Tasmania on 3 October 2024, Saul indicated at around the 44th minute mark that those currently employed members of RBF should take one for the team when he stated *“I think they ought to have a look at whether those public servants who are still in Defined Benefit schemes ought not to be transferred to the same Defined Contribution schemes that the vast majority of public sector employees now and almost all private sector employees are on; you know those public servants wouldn't like it because they're on a good wicket but if there's going be pain inflicted they shouldn't, I think, be completely exempt from it”*.

<https://www.youtube.com/watch?v=hgAUllxxJlo>

I personally find this statement from Saul quite concerning. He is in effect saying that employees who have been in a superannuation scheme for over 30 years should have their benefits reduced just as they near retirement. Would he ever suggest that in the interests of Tasmania's finances that current employees should receive a lesser superannuation contribution than that required under the Superannuation Guarantee arrangements?

But let's do a bit of analysis of Saul's recommendation to Government. It is quite easy to work out the current liability of those 3,517 employees still in the scheme. It is around \$2.86 billion, based on an average entitlement of around \$813,000 at current salary levels. Given this aggregate entitlement the ONLY way the Government could save the \$2 to \$3 billion indicated by Saul would be for these employees to only receive their own after-tax contributions to the scheme upon being transferred to an accumulation scheme. This would entail the Government making a zero contribution to their retirement even though there had been a notional contribution to their super throughout their working life.

This is a bit like an employer not contributing at all to super while someone has been employed and then walking away from their legal entitlement to that employee.

But would the Government be better off moving these employees from the RBF scheme? My analysis would suggest not. On the basis that the Government would not seek to short change its employees of their superannuation entitlements it would have to borrow around \$2.5 billion which would then be deposited in a fund of the employees' choice, along with their existing funds held by RBF. Then for the remainder of their employment, the Government would be required to contribute 12% of their salary into that fund under the Superannuation Guarantee arrangements. In addition, the Government would be required to pay interest on those borrowed funds for an unspecified period of time.

If these employees remain in the RBF then the Government would not be required to make any payments until they retired and following retirement the only payment made would be their Defined Benefit entitlement.

My discounted cash flow analysis of these two options indicates that instead of saving \$2 to \$3 billion, action by Government to follow Saul's suggestion would cost the Tasmanian Government around \$500 million, hardly a good decision.

TASS will be writing to the Premier advising that it would not be in the best interests of either the 3,517 currently employed members of RBF or indeed in the Government's best interest to take up Saul's suggestion.

This is a simple analysis Saul could have undertaken himself as part of his Review. This is also why TASS is important. It is the only organisation which is watching over and lobbying on behalf of Defined Benefit pensioners.

This recommendation, from a renowned economist such as Saul Eslake, is just one reason why we must be ever vigilant. Commentators such as Saul have views about Defined Benefit superannuation schemes, which when assessed, do not stack up and TASS will continue to support its members and the entitlements they receive as part of their employment contract with the Tasmanian State Government.

John Pauley
President

MyState Cheques – Important Notice

***** Cheque services are being phased out of the Australian Payment Systems. For example, MyState will not honour any cheques presented for payment after 29 November 2024.**

Other financial institutions are bound to be doing the same now or in the near future.

Michael Walker
Treasurer

Mobility4All Sponsorship

You will notice the advertisement below from our sponsor, Mobility4All.

Mobility4All as the name suggests, is in the business of selling mobility aids. Their range is literally anything you can think of in this field from walking sticks and crutches to ride-on scooters and stair lifts.

For Southern members in particular they are located conveniently in Moonah. So, if you or any family or friends have any mobility needs, we encourage you to check them out.

Stairlift Tasmania

Tasmania's only stairlift specialist

Contact us for a quote today:

- (03) 6272 2966
- stairlifttasmania.com.au
- info@stairlifttasmania.com.au

A woman with blonde hair, wearing a light blue button-down shirt and dark blue jeans, is sitting on a white curved stairlift. She is smiling and looking towards the camera. The stairlift is installed on a wooden staircase with a wooden handrail. The background shows a modern interior with light-colored walls and a wooden door.

WHY MOVE?

Future proof your home with a stairlift from the specialists:

- Indoor and outdoor, straight and curved
- Statewide installation and service

—

Check out our displays at:

M.R.S Healthcare Tas, 129 Holbrook Street, Invermay
Mobility4All, 23 Derwent Park Road, Derwent Park

Tasmanian Association of State Superannuants' 50th Anniversary Luncheon

Thirty-three members and guests enjoyed a luncheon at Drysdale Restaurant on Thursday, 29 August. The function was to celebrate 50 years of the Tasmanian Association of State Superannuants Inc (TASS) representing the interests of Tasmanian Government Defined Benefit Pensioners.

Special guests were Mr Andrew Wilkie MHR, a long-time supporter of TASS in its attempts to challenge Commonwealth Government legislation that has adversely affected many of our members; and two of our Life Members, Mrs June Hazzlewood and Mr Rob van Schie. Both Rob and June have been active within TASS, with Rob serving for many years on the Executive and June assisting with arrangements for functions we have organised in Launceston.

At the Annual General Meeting in March 1994, insufficient nominations were received to form an Executive Committee of the Association. As a result, a special meeting was called to determine the future of TASS. At that meeting, the following members took on the various roles to enable the Association to continue with its work: *President Tony Haig, Vice President Eileen Harrison, Secretary Rob van Schie, Treasurer and Super News Editor Lance Brown, Minute Secretary Kevin Hardy and Membership Officer Rosemary and Will Cramp.*

We owe a great deal of thanks to these members who took on the positions, as TASS is now able to celebrate 50 years of continuous service to our valued members.

The Secretary, John Chalmers, welcomed our special guests and the members who were there. Our President, John Pauley, then addressed the group. He publicly acknowledged Andrew Wilkie and thanked him for the work he has carried out in support of TASS, especially regarding our efforts to have our Pension Scheme removed from the impact of the *Social Services Legislation Amendment (Defined Benefit Income Streams) Act 2015*. We refer to this as the "10% Cap Issue".

John then provided some interesting statistics. From the actuary's Triennial Review of our scheme, on 30 June 2022 there were still 3,517 members of the Retirement Benefits Fund (RBF) Contributory Scheme employed in the State Service. There were 9,817 pensioners whose average age was 74.3 years. Of this group, 1,475 were widows/widowers whose average age was 82.5 years. The average benefit for pensioners was \$38,125. It is John's belief that the median pension is somewhat less than the average and that the average is unduly influenced by a small number of beneficiaries with considerably higher pensions than the average.

With the formalities taken care of, a pleasant meal was then enjoyed by all. We were well looked after by the students of Drysdale Restaurant.

John Chalmers
Secretary



Rob van Schie and June Hazzlewood

Tasmanian Association of State Superannuants (TASS) Superannuation Forum

On the evening of 30 October 2024 the Tasmanian Association of State Superannuants (TASS), in conjunction with Unions Tasmania, the Health and Community Services Union (HACSU) and the Community and Public Sector Union (CPSU), hosted a superannuation forum for members of the Retirement Benefits Fund (RBF) Defined Benefit Fund (DB) at the Hobart Workers Club. This forum was well attended with around 50 people present and a further three people online.

While the Superannuation Commission was invited to provide a presentation at the forum they declined and indicated that members of RBF have a wealth of information available online at their website and via their Superannuation Consultants.

Attendees heard two presentations. One was provided by me, and a second was provided by Terry Bryan from Care Super, previously Spirit Super. During the presentations attendees asked a wide range of questions regarding their retirement options. While the information provided at the forum was of a general nature only, the forum's objective was to permit those nearing retirement to be better informed when they sought the personal financial advice they will need to seek prior to retiring.

Both presentations are available on the TASS website. [TASS Website](#)

My presentation covered the reasons why I chose a Defined Benefit Pension (DB). I also outlined some of the key differences between a DB pension and an Account-based Pension or a Lifetime Income Stream. Each option has its pros and cons with no option being superior in every regard.

I also provided some information about TASS and the efforts we make to support our members. I concluded my presentation with a short discussion about the recommendations made by Saul Eslake in relation to the superannuation liability of the Tasmanian Government and his suggestion that the DB scheme be closed completely and existing members be transferred to an Accumulation Superannuation Scheme.

Terry gave an overview of the changes occurring with the amalgamation of Spirit Super and Care Super and the changes members would see. He also provided a good overview of the superannuation products available to members of Care Super (previously Spirit Super) and answered a range of questions from the attendees present.

Superannuation is a complex topic and achieving an appropriate retirement income is challenging and complex. The feedback from attendees present is that they felt better informed. Employees approaching retirement have many decisions to make regarding their financial well-being, and choosing a DB pension is but one aspect of that decision process.

John Pauley
President TASS



THE HOBART WORKERS CLUB

The Hobart Workers Club was the recipient of two awards in the 2024 Tasmanian Hospitality Awards for Excellence; Gold Winner for Best RSL Sporting or Community Club; Bronze Winner for Best New or Redeveloped Hospitality Venue.

TASS congratulates the Hobart Workers Club on their well-deserved awards and notes our appreciation of their generosity for the use of their meeting room for the Superannuation Forum on 30 October.

Information about the club is noted below.

Nestled in the bustling centre of the Hobart CBD, our brand-new Workers Club redefines tradition with a contemporary twist.

This vibrant venue boasts sleek, modern interiors creating a welcoming atmosphere for members and visitors alike.

Our spacious pool, private booths and state-of-the-art facilities cater to all, whether you're looking to unwind after work, enjoy a casual meal, or attend a lively event.

The club features a stylish bistro serving an array of pub classics to gourmet dishes, a well-stocked bar with an extensive selection of local wines, variety of whiskeys and craft beers, and private function spaces perfect for corporate events, celebrations, and community gatherings.

Being a subbranch of Hobart RSL we are committed to honouring the spirit of the RSL, we also provide dedicated spaces for veterans to connect and engage in a supportive environment.

The Hobart Workers Club operates and serves meals 7 days a week.

The club opens from 11am through the week, 10am on Saturdays, and from 12pm to 8:30pm on Sundays - with most Sundays providing live and free entertainment from 3pm.

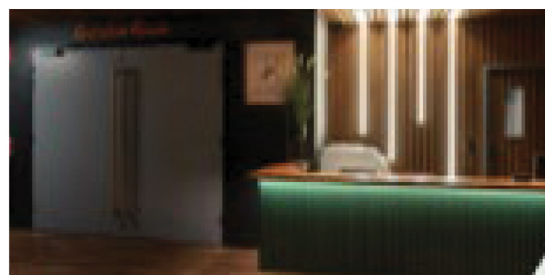
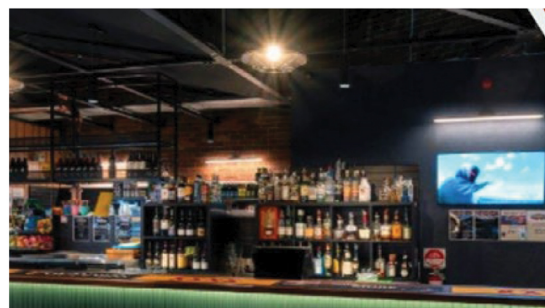
Meals operate Sundays to Thursdays from 12pm – 3pm for lunch and 5pm - 8.00pm for dinner and on Fridays and Saturdays from 12pm – 4pm for lunch and 5pm – 8:30pm for dinner.

We're excited to offer a versatile function space perfect for hosting events for businesses like Banjos, Tas Networks, Unions Tas, and Aurora. Our venue is equipped to accommodate various group sizes and event types, whether it's a corporate meeting, team-building session, or a special celebration. With tailored packages and a commitment to exceptional service, our space ensures a seamless and memorable experience for all attendees.

Enquiries - functions@hobartworkersclub.com.au



Contact us
03-62344125



TASS Northern Forum 24 September 2024

Thirty seven people attended the Northern Forum on Tuesday 24 September at Peppers Silos Hotel Launceston.

Detective Sergeant Paul Turner and Detective Inspector Troy Morrisby of the Tasmanian Police Cybercrime Unit gave an informative and interesting presentation to the group, which is sure to result in an increased awareness, and therefore personal protection, to those in attendance.

Paul and Troy spoke about cyber scams, staying safe online and in particular investment type scams to educate members on things to be aware of and look out for.

The links below were provided by Paul:

www.scamwatch.gov.au – Scams where you have suffered no loss.

<http://www.cyber.gov.au/report-and-recover> – Scams where you have lost funds.

www.idcare.org – Identity theft

www.esafety.gov.au – Online abuse, image sharing etc.

<https://havebeenpwned.com/> To check contact details that may have been breached

TASMANIAN ASSOCIATION OF STATE SUPERANNUANTS INC

RECEIPTS & PAYMENTS FOR THE PERIOD 1 JANUARY TO 31 OCTOBER 2024

MYSTATE BANK BALANCE AS AT 1/1/24		\$ 7,892.24
INCOME		
Member Subscriptions	\$1,580.00	
Donations	350.00	
Interest (Term Deposit)	2,476.00	
Luncheon (50 th)	680.00	
Sponsorship	600.00	
TOTAL INCOME	\$5,686.00	
LESS EXPENDITURE		
Affiliations	150.00	
Annual General Meeting	216.00	
Annual Return	71.20	
Email	518.91	
Internet	110.70	
Functions	1621.73	
Luncheon (50 th)	1110.00	
Miscellaneous	13.25	
Office	1,395.13	
Postage	814.14	
Super-News	4,481.39	
Travel	375.00	
TOTAL EXPENDITURE	\$10,877.45	
DEFICIT FOR PERIOD	(\$ 5,191.45)	
MYSTATE BANK BALANCE AS AT 31/10/24		<u>\$ 2,700.79</u>
MYSTATE TERM DEPOSIT AS AT 31/10/24		\$63,504.68
TOTAL FUNDS		\$66,205.47

COMMITTEE REPORT:

This Financial Statement presents fairly the financial position of TASS and the results of its operations for the period ended 31 October 2024.

Michael Walker CPA
Treasurer

John Pauley
President

Useful contacts for TASS Members:

Retirement Benefits Fund (RBF)

All enquiries 1800-622-631
Website www.rbf.com.au

Australian Taxation Office (ATO)

Personal taxation information 13 28 61
Website www.ato.gov.au

Services Australia

(Access Centrelink and Medicare services)

Older Australians and Financial Information Services 132 300
Disability, Sickness and Carers 132 717
Website www.servicesaustralia.gov.au

TASS Executive – Administration:

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Treasurer: Mike Walker Ph: 0428 376 741
Membership Officer: Charles Thomas Ph: 0422 414 861
Super-News Editor: Jeneane Thomas Ph: 0408 485 902

Other Committee Members:

Jean Walker, Stephen Graetzer, Ross Brown, Chris Scott, Jeff Garsed, David Louez

Northern Tasmania Representative: Vacant

North-West Tasmania Representative: Donald Wells Ph: 0428 415 852

Change of Address/or Email address:

Should you change your address and/or email details please advise the **Membership Officer, Charles Thomas**, so that he can update our records. Phone: 0422 414 861 or info@tass.org.au

DISCLAIMER

Super-News is published by the TASMANIAN ASSOCIATION of STATE SUPERANNUANTS Inc. ("the ASSOCIATION"). This publication is provided by the Association in good faith to collect and provide information which may be of interest to Retirement Benefits Fund (RBF) pensioners and members of the RBF defined benefits scheme.

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