

*TASMANIAN ASSOCIATION of STATE
SUPERANNUANTS*

SUPER-NEWS

ISSN1323-5605 Nov 2012 No 4/12

**Heron Report supports the TASS
approach on indexation. Page 4**

Member Survey results. Page 8

Christmas Luncheons

**Note: - Northern and Southern dates
have both changed see Page 3
for revised dates**

How to age Well-Part 2. Page 5

**Please look at the envelope that enclosed this copy of Super-
News. As mentioned on page 11, some members have
already paid for 2013 and this is indicated on your envelope.**
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A WORD FROM OUR PRESIDENT

This will be the last edition of Super News for 2012. So just a few comments on the year from my perspective. First of all where did it go?? Seriously though I think it has been a period when your Executive has worked very hard on your behalf.

Our main aim has been to maintain the value of your pension, and, if and when possible, to get justice by improving the method by which it is indexed.

To do this we have to first ensure we are well acquainted with the issues, both economic and political. So we have, for example, sought briefings from senior officers of the Retirement Benefits Fund and Treasury, and Dr. Bruce Felmingham, as well as commissioning the actuarial report from Heron Partnership. Armed with this knowledge we have met with the Finance Minister, Scott Bacon,(Page 6) and have continued to take an active role in the lobbying efforts of our national counterpart A.C.P.S.R.O.(Page 7)

The Executive is working on improving the “public face” of T.A.S.S. Our web page has been significantly upgraded, and we are aiming to have a clear logo, and to improve our letterhead and the appearance of Super News.(Page 9)

We have also taken a decision to recommend incorporation to our members. This would require a new Constitution to be ratified at the A.G.M.

Finally, could I say again that I am very keen to see our membership increase. The larger our numbers the greater our strength internally and in our dealings with Government. So if you have friends or colleagues who receive, or will receive an R.B.F. defined benefit pension, please encourage them to join us.

Merry Christmas and Happy New Year (although I hope to see many of you in person at our Christmas functions in the north and south of the state).

Murray Harper

TASS CHRISTMAS LUNCHEONS

*TASS Southern members are invited to attend our
annual Christmas luncheon*

DATE: THURSDAY 29 NOVEMBER 2012

TIME: 12.00 Noon

VENUE: Drysdale
59 Collins Street
Hobart

COST: \$ 30.00 per person for a 3 course luncheon

MENU: Choice of Entrees, Main Course and Sweets

BEVERAGES: At your own expense

RSVP: Kip Muller by Tuesday 20 November
Tel: 6225-3634

E-mail: kemuller@netspace.net.au

NORTHERN CHRISTMAS LUNCHEON

DATE: TUESDAY 4 DECEMBER 2012

TIME: 11.30 AM

VENUE: Queens Head Inn
88 Main Road
PERTH

COST: \$ 20.00 per person for a 2 course luncheon

MENU: Choices of Main Courses and Sweets

BEVERAGES: At your own expense

RSVP: June Hazzlewood By **FRIDAY 30 NOVEMBER**

Tel: 6327-2562 (After 5 PM) or **E-mail:** ahazzlew@bigpond.net.au

At both functions the President will give a brief summary of our activities and plans for the future. We do hope that if you live in the North or the South that you will be able to join us for a festive celebration.

Actuarial Study Improvements to Pension Indexation

by the Heron Partnership

TASS has been unsuccessfully lobbying the State Government for a number of years to seek a more equitable form of indexation to maintain the spending power of our RBF defined benefit pensions

It is an undisputed fact that CPI indexed pensions are not keeping pace with rising living costs. The Australian Bureau of Statistics acknowledges that CPI is not a purchasing power or cost of living measure (Guide to Consumer price Index 14th series page 3)

Fifteen years ago the Federal Government moved to index Aged pensions against Male Total Average Weekly Earnings (MTAWE) "**so that pensioners share in the improved community living standards as measured by wages**" (Prime Minister John Howard)

To add further weight to our ongoing representations to Government, the TASS executive determined that we needed to be able to show how much we are losing in \$ terms compared to Aged pensioners and to also establish for ourselves what the financial cost would be to the State Government. Accordingly TASS commissioned an independent actuary, the Heron Partnership, to produce an actuarial study for this purpose.

The Heron Partnership was engaged to prepare an actuarial study comparing the pension indexation for Retirement Benefit Fund (RBF) pensioners in the State Government superannuation plan, that uses the Consumer Price Index against the indexation method currently applied to the Age Pension paid by Centrelink.

The report sets out a comparison of the indexation methods using historical data over the previous 10 years and a comparison of the expected future pension payments over 10 years using appropriate assumptions for the future long term rate of indexation under the current and proposed methods.

The comparisons show that over time, the Age Pension indexation method results in significantly higher pension payments than the current RBF indexation method. It highlights that the gap between payments under the two methods is expected to continue to widen in future.

The current level of an Aged pension for a couple is \$27253. Over the next 10 years this is projected to increase to somewhere between \$38443 and \$42323 whereas a CPI adjusted pension starting at the same level of \$27253 will only increase to \$34886.

The report clearly demonstrates that for RBF defined benefit pensioners the loss of spending power over the life of a normal retirement is considerable. It also shows the projected future total annual pension costs to Government.

The report is now posted on our website. TASS presented a copy of the report to Minister Bacon at our recent meeting and will now be sending copies to all other political parties.

Ross Brown for Lobby Liaison Committee

Exercise

To be effective, physical exercise is necessary thirty minutes a day on most days of the week. This need not be strenuous, though there is very good evidence that an elevation in heart rate during exercise is best. Better results are also achieved as the speed of walking increases. Interestingly, normal aging does not cause muscular weakness, frailty or lethargy. These are the consequences of physical inactivity.

We know that exercise has many benefits. It reduces falls and injuries from falls, heart attacks, diseases of the circulation, bone mass and osteoporosis, some cancers, enhances good mental health, and reduces the pain of arthritis. Exercise also reduces weight gain, lowers blood pressure, causes and elevation in the “good” lipids (HDLs), promotes sleep, regulates sugar and lowers glucose intolerance. *Regular* exercise is associated with a forty per cent reduction in the loss of mobility and a thirty-four per cent drop in blood pressure.

Cognition

From about the age of forty there is a five per cent reduction in brain weight each decade. After thirty, there is a decline in the ability to recall names well. Memory is more variable with age. Crystallized intelligence- recall of events- improves to the sixth or seventh decade and then declines slowly. Fluid intelligence- the ability to work things out- declines from about fifty.

Processing speed falls by twenty per cent from about forty, and by fifty percent from eighty. Reaction time falls by about ten per cent in the elderly, but this is usually not functionally significant. Although memory overall declines by about thirty per cent in those aged from seventy to a hundred years of age, the biggest predictors of decline are vision, hearing and fatigability. Maintaining cognition is all about keeping the senses going. This means hearing and vision tests, and wearing the appropriate aides when required. But it also means being as fit and strong as possible. Moreover, using the brain delays decline- the “use it or lose it principle”- and there is evidence that learning new and challenging material, such as a new language, can protect against the development of dementia later on.

There are a few principles to maintaining a good mind into old age. These include: the adoption of a healthy life style- eating and drinking well (alcohol in moderation), exercising, not smoking, ever; maximising good physical health; good social supports and social engagement; avoidance of anxiety, depression and fatigue and having good self-esteem. It is also critical for a good memory that we make sure that memories are laid down well, and that means that we take our time and concentrate, develop routines and habits, and have *aides memoire*.

The second in a series compiled by Dr. Jane Tolman from the Department of Aged Care at the Royal Hobart Hospital. More in the next issue. Ed

TASMANIAN ASSOCIATION OF STATE SUPERANNUANTS

The Honorary Scott Bacon
Minister for Finance
Parliament House
Hobart

PO BOX 66
Newtown
Tasmania 7008

16 October 2012

Dear Minister,

On behalf of my organisation I write to thank you for meeting our delegation consisting of myself, Rob van Schie and Tony Robinson on 18th September 2012, in your office. On that occasion we were able to inform you of the role of TASS in representing the best interest of RBF defined benefits pensioners, present and future. We also touched upon the recent comments in the Auditor General's Report concerning "the capacity of the State to meet its future superannuation obligations" and the unnecessary unease caused to some of our elderly members through the publication of unbalanced reports about the unfunded liability. We were reassured by your statement that defined benefit pensions remain secure.

Our delegation spoke of the erosion in spending power being experienced by our members because of the method of indexation being used, and quoted some supporting figures and the supporting views of independent authorities in this regard. Despite our entreaties for RBF pension indexation to move from CPI movements alone to the same percentage increase which applies to a single aged pensioner you made it quite clear that your government does not support such a change.

In explaining this stance you relied in particular upon two factors. Firstly you pointed out that when the RBF superannuation scheme was created a core element was to adjust pensions according to movements in the CPI. And you added that had a different indexation basis been chosen, other aspects of the scheme's design may have been different, ie less generous. You will recall that we responded by arguing that whilst perhaps a balanced package of legislated provisions was created around use of CPI adjustments, the reality is that the Act has undergone major amendments in 1982, 1987, 1993, and 1999 whenever governments have felt the need for change. Such changes included

1. Closure of the superannuation Accumulation Fund;
2. Allowing contributors to take all of their benefits as a lump sum;
3. Less generous pension conversion factors available to scheme members who joined after July 1994, and
4. A change in the definition of benefit salary from final average salary over one year to final average salary over three years.

Concurrently with these reduced- benefit changes was a reconfiguration of the CPI in 1997 from a cost of living index into, what can only be described as, a retail price inflation index. Therefore the original package no longer exists. Secondly you supported the case for leaving current indexation arrangements as is because Tasmania's scheme, using the CPI, is the same as applies in other States and the Commonwealth for retired public servants. You are quite correct in what you say, but your government has demonstrated that it is sometimes prepared to go it alone on an issue if it has merit.

Thank you again for giving your time to meet with us and we look forward to working with you in the future.

Yours faithfully,

Murray Harper
President

Australian Council of Public Sector Retiree Organisations (ACPSRO) Brief report on annual general meeting held in Canberra in October

ACPSRO is the Peak Council representing commonwealth, including military, state and territory public sector retirees receiving an untaxed- source defined pension from what are now closed schemes. ACPSRO represents about 700,000 Australian voters.

ACPSRO's main objective is to improve the indexation of our defined superannuation pension so that it again maintains its purchasing power in terms of actual shelf prices as it did when indexation to the consumer price index (CPI) was recommended and adopted in 1973. At that time the CPI reflected the cost of living, and all wages adjustments were by movements in the CPI. However the Australian Bureau of Statistics (ABS), in their "Guide to the Consumer Price Index, 14th series", has stated that "CPI is not a purchasing power or cost of living measure". This change came about when, in the early 1990's shelf prices of products which are included in the calculation of the CPI began to be discounted for changes in quality. Continuing the indexation to CPI results in the erosion of the purchasing power of our superannuation pensions accumulating to 14% after 10 years. The cumulative pension loss over 10 years, starting with a retirement pension of \$27,253, is estimated to be \$ 37,000

A campaign for better indexation was started several years ago by commonwealth superannuants, and separate State campaigns soon followed, including Tasmania. The ACPSRO annual AGM provides an opportunity to compare and improve campaign strategy and information. The main challenges remain making all superannuants and prospective superannuants, as well as politicians aware of the issues involved, and to create a groundswell of support.

Other issues which await resolution have arisen because our employers, the State and Commonwealth governments, are allowed to pay their superannuation liabilities on an emerging basis, following the retirement of their employees. No contribution tax is paid so that our superannuation comes from an untaxed source and is therefore tax- assessable. This makes it more difficult for defined benefit superannuants to access a Centrelink pension compared to retirees on similar incomes paid from a taxed source on which they pay no tax.

Furthermore, additional, non- superannuation income, such as interest on savings, or a part age pension, is added to the pension income and taxed at the pension income marginal rate, whereas a retiree, who is 60 or older, receiving income from a taxed source, has additional income assessed separately.

Readers are encouraged to go to the TASS website tass.org.au for more detail.

Rob van Schie TASS representative on ACPSRO

The Member Survey

We must thank all those members who took the time to complete the member survey which will help us do the things that you, our members, require. An apology for those who attempted to complete the survey 'on line', but did not succeed. Some members could not find the survey and others who did find it had difficulty in forwarding it to TASS.. Our web master has now improved both the access and ease of completion. We will leave the improved form active until the end of November. If you had difficulty and did not complete the survey, please try again, it is now much easier.

The interim results

We had over 120 replies and the following are the results to date.

The area responses were as follows

South-60, N West-10, North-8, North East-4, Interstate-9

Would you be interested in a question section in Super-News?

yes-84, no-21

If you are interested,would send questions?

yes-42, no-57

What are your 3 most important issues?

Health Care-78

Superannuation- 72

Centrelink-45

Nursing Homes-28

Financial Planning-23

Retirement Villages-22

Estate Planning-13

Other topics mentioned -inflation, taxation, gardening, volunteer work, recreation, transport

If TASS arranged a Guest Speaker would you attend?

yes-57 no-39

Would you prefer to receive Super-News by Email?

yes -19 no-86

Note: those with a keen eye will realise that some of the above numbers do not tally. This results from some members not answering all the questions.

Member Activities Committee

PROMOTIONS SUBCOMMITTEE REPORT

In a previous edition of '*Super-News*' we asked if any members were able to assist in submitting ideas for a logo and designs for our printed material, including a TASS logo, the presentation of *Super-News*, a revised letterhead, a revised promotional brochure and a static display stand for use at TASS promotional activities.

One member has submitted a series of designs and has subsequently offered to assist our Promotions subcommittee in exploring possible options.

Subsequently, we are currently working with a professional organization to assist us in achieving greater recognition within our current and potential membership, along with the general community.

Kip Muller

A number of our members who could not make our general meetings have asked that we include a picture of our 'young' and hardworking executive.

TASS executive taken before the October Meeting



From the left. Rob. vanSchie, Kevin Hardy, Kip Muller, Tony Robinson, Stephen Graetzer, Murray Harper (centre front), Charles Thomas, John Chalmers, Ross Brown, Tony Haig, Ross Butler.

The above picture is included in colour on our web site copy of *Super-News* for those interested to see just how 'young' we really are. ED.

Who is your Editor?

Some 20 years ago retirees Rob. vanSchie, Lance Brown, Kevin Hardy and I turned up to our first meeting of TASS to show support for those running it at that time. We each ended up on the executive and apart from Lance, who has just retired, are still there.

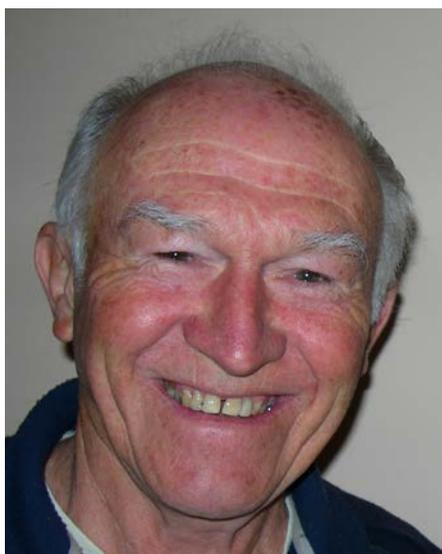
Other than the above, what is my background?

75 years ago I was born in Basra, Iraq of British parents. At the tender age of one, we all moved to England, Norfolk, spent time in Scotland but as a family came to Tasmania in 1951. I attended grammar school in England, then Hobart, Burnie and Launceston high schools. Studied both Engineering and Management in Hobart and was granted a travelling scholarship to study engineering in Manchester U.K. for 2 years

My working career was with the then HEC as an Engineer, and Manager. At my retirement in 1992 I was Tasmanian President of the Institution of Engineers, Australia. I have 4 children who have produced 9 grandchildren. I am married to Lorraine, who in addition to looking after me, also proofreads Super-News before it goes to the printers.

Over the years I have played squash, tennis, soccer, run 11 half marathons and countless 'fun runs' and still attempt downhill skiing. (at my age ski tows are often free)

In retirement I play tennis and bush walk each week. Lorraine and I enjoy travelling in Australia and overseas and try to dovetail our trips between Super-News publishing deadlines. I began editing Super-News 12 years ago when I took over from Lance Brown and believe now is the time for a change. Tony Haig



TASS MEMBERSHIP APPLICATION FOR 2013

	Title	Initials	Surname
1. Superannuant			
2. Partner/Spouse			

Postal Address: _____

Post Code: _____

Phone Number: (0) _____

Email: _____

Please enter the amount and tick the method of payment:

Single or Couple =	\$12.00	\$
Widow or Widower of Superannuant =	\$7.00	\$
Optional Donation =	\$	\$
Postage Charge (members outside Australia) =	\$8.00	\$
TOTAL =		\$

Payment by: Cheque Money Order

Direct Deposit to TASS Bendigo BankAccount (Please indicate)

Cheques and Money Orders to be made payable to T.A.S.S.

For Bendigo Bank, the TASS details are: BSB = 633-000; Account Number = 113061113. Please make sure you give your surname and given name(s) or initial(s) when you make the deposit.

As well, this form needs to be sent to TASS.

If you would like a Membership Card (two for a couple), please write number required here: _____

Please do not use staples or sticky tape.

If the Reply Paid envelope has been misplaced, mail your form and payment to:

TASS

PO Box 66

New Town Tasmania 7008.

TASS Use:

Receipt:.....

Date:.....

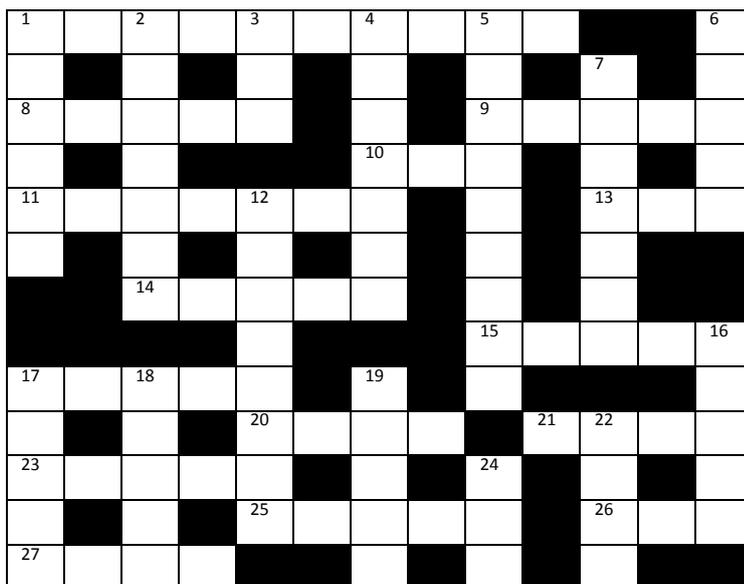


Notes About Renewal of Membership

1. **Please check your *Super-News* envelope label.** It shows your Membership Expiry date and you could already be paid up for 2013. If that is the case, you should not have received a Reply Paid envelope and there is obviously no need to complete and return the renewal form.
2. Remember, your spouse or partner is entitled to membership at no extra cost.

3. Please make cheques and money orders payable to either T.A.S.S. or Tasmanian Association of State Superannuants.
4. If you have convenient access to a Bendigo Bank branch, you can renew your membership there using cash, a cheque or a money order. **Please make sure you give your surname and given name(s) or initial(s).** The TASS BSB is **633-000**; the Account Number is **113061113**. You can also make a transfer from your own bank to our account (a fee may be charged by your bank) and, if you have made arrangements for internet banking, you can transfer your payment online. If you use any of these methods, your application form still needs to be sent to TASS in the Reply Paid envelope, please, to enable us to maintain accurate records.
5. Donations are always welcome.
6. Cut out the application form and return it with your payment.
7. If you need another application form, contact John Chalmers on 6249 1240; **or**, download one from our website (www.tass.org.au); **or** write your details on a sheet of paper and mail it to us (TASS, PO Box 66, New Town, Tasmania, 7008).
8. Please renew promptly.
9. If your Reply Paid envelope has been misplaced, please address an envelope: TASS, PO Box 66, New Town, Tasmania, 7008.

Test your skill with Treasurer John Chalmers Crossword



ACROSS

1. A collection of states
8. Eskimo's house
9. Our planet
10. Melody
11. Tallest
13. Vehicle
14. Thither
15. Bird of prey
17. Copy
20. Close
21. Lacking firmness
23. Precise
25. Spirit or courage
26. Attempt
27. Large plant

DOWN

- | | |
|---------------------------|-------------------------|
| 1. Journey by air | 16. Devoid of contents |
| 2. Please greatly | 17. Deal with |
| 3. Kanga | 18. Reduce in amount |
| 4. Place of entertainment | 19. Secret society |
| 5. Extremely happy | 22. Very small quantity |
| 6. Pale | 24. Consumed |
| 7. Yearning | |
| 12. An ordinal number | |