



Tasmanian  
Association of  
State  
Superannuants Inc.

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# SUPER-NEWS

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## TASS DISAPPOINTED BY STATE GOVERNMENT REPORT

As reported in the June edition of *Super-News*, the case for indexation of RBF superannuants was debated in the House of Assembly on 20 March this year. Following the passing of a motion in the House, the Minister for Treasury and Finance, Scott Bacon instigated an actuarial study into the costs of improving the indexation of RBF defined benefits pensions.

The study was to consider the costs of improving RBF pensions by indexing the pensions every six months by the greater of:

- increases in the Consumer Price Index;
- increases in the Male Total Average Weekly Earnings; or
- increases in the Pensioner and Beneficiary Living Cost Index.

Representatives of TASS who were privy to the debate in the House on 20 March were given to understand by the mover of the motion, Greens leader Nick McKim, that we would have the opportunity to have input into the terms of reference of the report. However, this did not eventuate as hoped. This is unfortunate because our previously expressed protests at the alarmist formula used to define pension costs was repeated in the subsequent actuarial report conducted by Mercer Consulting (Australia) Pty Ltd on behalf of the Department of Treasury and Finance, Tasmania.

In its report of 6 May 2013, Mercer states that the Tasmanian State Governments unfunded liability for the RBF defined benefits scheme as at 30 June 2012 was \$6.703 billion, and its best estimate of improving the scheme as proposed, would increase the unfunded liability at the same time to \$8.146 billion. The increase cost to the State was therefore estimated to be \$1.44 billion.

TASS has repeatedly argued that it is ludicrous to quote the cost of our pensions over the total life of the scheme, rather than as an annual recurrent cost like all other budget items, and Shadow treasurer Peter Gutwein agrees with TASS in this regard.

A clearer understanding of the cost could be achieved if the Mercer actuarial report produced an estimated annual dollar figure which could be compared to other State Government budget expenditure items.

*(Continued on page 5)*

## FROM THE PRESIDENT

In this issue of *Super-News* I would like to thank those members who attended our June luncheon in Devonport. I hope this will be part of an ongoing sequence of events around the state where we can get together and address members' issues.

Since our last issue of *Super-News*, the Finance Minister, Scott Bacon has completed and passed onto us his actuarial report on our claims for the fairer indexation of our pensions. Unfortunately, it gives no great cause for optimism, basically repeating previous negative government arguments. Nevertheless, we will continue to push what we are convinced is a just cause with all three Tasmanian parties.

Further, the current Federal campaign has thrown up a relevant development. **Both major parties have agreed that the indexation of Australian Defence Force pensions is unfair, so presumably we will soon see improvements for those pensioners.** This in turn should give the Australian Council of Public Service Retirees Organisations, with whom we are affiliated, and ourselves, material to use in our campaigns.



Murray Harper, President

### TASS EXECUTIVE MEETINGS – MEMBER ACTIVITIES 2013

MONTH	DATE	TIME	ACTIVITY	VENUE
September	Tues 17	1. 30 PM - 4. 00 PM (Including afternoon tea)	General Meeting – Members Forum: Superannuation Centrelink Financial Planning	Mathers House, Bathurst Street, Hobart. (Behind Playhouse Theatre)
October	Tues 15	1.30 PM	Executive Meeting	Hobart
November	Tues 19	1.30 PM	Executive Meeting	Hobart
November	Thurs 28	12 Noon	Christmas Luncheon	Drysdale, Hobart
December	Tues 3	11.30 AM	Christmas Luncheon	Queens Head Inn, Perth

**TASMANIAN ASSOCIATION of STATE SUPERANNUANTS Inc.**  
is an affiliate of:

**COUNCIL ON THE AGEING TASMANIA Inc. (COTA)**  
The primary organisation representing the rights of older Tasmanians.

**AUSTRALIAN COUNCIL of PUBLIC SECTOR RETIREES  
ORGANISATIONS Inc. (ACPSRO)**  
The peak council for 11 organisations representing retired civilian and military public sector workers from the Commonwealth, state and territory governments.

# OK, YOU ASKED FOR IT!

Last year we surveyed TASS members to ascertain what issues of most interest you would like the Executive to arrange presentations on your behalf. So, we are putting on a Forum to address some of those issues for you.

## TASS MEMBERS FORUM

**DATE:** Tuesday 17 September 2013

**TIME:** 1.30 PM – 3.30 PM  
(Followed by afternoon tea)

**VENUE:** Mathers House  
108 Bathurst Street  
Hobart  
(Next to the Playhouse Theatre)

**PRESENTER:** Scott Donoghue, Financial Planner

### SUPERANNUATION:

- Benefits from the Stronger Super government changes
- Estate planning and superannuation
- Revaluing assets in a superannuation fund

### CENTRELINK:

- How the system works
- Accessing Age Pension benefits

### FINANCIAL PLANNING:

- The new legal requirements
- The value of a specialist financial planner

**RSVP:** **BY FRIDAY 13 SEPTEMBER**

**Kip Muller**

**Tel:** 6225-3634

**Email:** mullerke2@gmail.com

The President and members of the Executive invite you to join with us on this occasion to learn more about how you may benefit from the above topics.

# SUCCESSFUL LUNCH MEETING AT DEVONPORT

**Following a request from our North-West Tasmania members to host a lunch meeting in the North-West of the state, the Executive in conjunction with our North-West representative, Joan Batchelor, held the inaugural luncheon at the Argosy Hotel in East Devonport on Tuesday 18 June.**

On a beautiful sunny day 30 members attended the luncheon in an ideal location beside the Mersey River for a most enjoyable luncheon catered for and served by the attentive staff of the Argosy Hotel. Members from the Launceston area also attended, as did eight members of the Executive from Hobart.

Prior to the luncheon, president Murray Harper addressed the gathering and briefed members on the current situation with regard to the indexation campaign, along with actions being addressed by the Lobby & Liaison subcommittee that he convenes. Kip Muller also outlined issues being pursued by the Member Activities & Promotion subcommittee that he convenes. Executive members were seated at each table in order to discuss TASS issues, or answer any queries raised by members attending the function.

The Executive will continue to arrange activities members have indicated they would like to attend such as the Forum which will be held in Hobart on 17 September. We see these activities as an additional service which TASS can provide for our members and hope they will be well supported by the membership.



TASS members enjoying luncheon at the Argosy Hotel, East Devonport

## **TASS DISAPPOINTED BY STATE GOVERNMENT RESPONSE** (From front page)

It is of further concern that the Mercer report does not confine itself to the terms of reference as dictated by the content of the resolution passed by vote of the House of Assembly, and to be considered by that House at a later time. Instead of simply producing an estimate of easily understood figures concerning the cost of improving the indexation of pensions, Mercer has taken upon itself to mount an argument against the merit of doing so. And it is of course instructive to note that Mercer says the actuarial study was requested in writing by the Secretary of the Department of Treasury and Finance, and the argument against improvement used by Treasury and Finance is similar to that used by Mercer.

In its actuarial report Mercer devotes a whole section entitled, *The Purpose of Pension Indexation*, in which it quotes extensively from the 2008 report of Mr Trevor Matthews, a UK life company executive and actuary to support its own views against improving indexation. However, the views expressed by Matthews are contrary to better recognised authorities such as the 2001 Senate Select Committee report entitled, *A Reasonable and Secure Retirement?* which also dealt with pension indexation of federal and state retired public servants, and supported a move away from Consumer Price Index adjustment.

Mercer makes no mention of the more relevant and more recent findings of Professor David Adams, Social Inclusion Commissioner, which confirms the fact that pensions linked to the Consumer Price Index do not keep up with increases in the cost of living. In his paper entitled, *A Cost of Living Strategy for Tasmania*, October 2011, Professor Adams says the evidence is that, “For many households, the cost of living pressures linked to price increases for essential services are likely to continue to grow at greater rate than incomes, concessions, wages and many pensions and benefits which are indexed to the Consumer Price Index.”

**It is undeniable that both cost and merit have relevance to the issue of possible change to indexation of RBF pensions, but the first issue raised has been a study into cost and affordability. The second issue, merit, should, if necessary, be given equal status and at least allow interested parties to be heard before a final decision is made.**

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## **STOP PRESS!**

On 9<sup>th</sup> August members of the TASS Lobby & Liaison subcommittee met with Greens leader, Nick McKim. He reaffirmed his support for the merit of our case and has again written to Scott Bacon, Minister for Treasury and Finance expressing our disappointment with the Actuarial report and asking that Treasury undertake further work to show the projected cost of RBF pension payments on an annual basis for the next five years, using the same indexation formula as for Age pensioners. This would show the actual cost of fairer indexation on a year by year basis, rather than referring to the total overall cost of the scheme over the next 70 years or so.

We will report in our next Super-News on the outcome of that request.

# FEDERAL LABOR AND COALITION PARTIES SUPPORT FOR AUSTRALIAN DEFENCE FORCE PENSION INDEXATION

**In the run up to the Federal election both the Labor and Coalition parties have announced that they support fairer indexation of pensions for Australian Defence Force superannuants.**

This is an important step forward in the campaign to gain fairer indexation of public sector superannuants.

The Alliance of Defence Service has been lobbying strenuously to obtain fairer indexation. Both the Labor Government and the Coalition have acknowledged that CPI is not adequate to protect the purchasing power of pensions.

The Coalition has announced that it will provide MTAW ( Male Total Average Weekly Earnings) indexation to military DFRB (Defence Force Retirement Benefits) and DFRBB schemes for over 55's, and Labor has agreed to provide improved indexation for over 65's at the higher of the CPI (Consumer Price Index )or PBLCI (Pensioner and Beneficial Living Cost Index).

The Alliance welcomes both offers, but states that the Coalitions offer is much better.

It is also very interesting to note comments made by Senator Kate Lundy the Minister for Sport and Multicultural Affairs in the Senate on the 4th July 2013 on this issue stated, "The shortcomings of the CPI alone as a measure of the cost of living has been acknowledged even by the Mathews Report. The Government in introducing its new index for Age pensioners acknowledges this also, so it is not a point of argument **that the CPI no longer provides fair indexation is no longer in dispute**, and I have sought advice on the development of a new analytical living cost index to reflect more accurately the cost of living for superannuants".

Whilst this improved indexation will only apply to Australian defence force superannuants, the fact is that all major political parties - Labor, the Coalition and Greens - are now on record in agreeing that CPI fails to maintain the spending power of pensions.

Over the past 15 years since the Government abandoned indexing the aged pension to CPI only, the CPI has increased by 52% compared to age pensions which have increased by 128%.

It is hard to understand how governments agree on one hand that some superannuants are not being treated fairly by CPI indexation, whilst other superannuants will have to continue to having their pensions eroded.

**TASS will continue the campaign for fairer indexation leading up to the next Tasmanian state election.**

## TASS MEMBERS QUESTIONS with ANSWERS

The following questions are frequently asked by TASS members to the Executive, so here they are with answers provided by Executive member Stephen Graetzer in conjunction with the Retirement Benefits Fund (RBF).

**This particular question and answer section is only for those members who are receiving an RBF life pension from the contributory scheme. The answers given here will generally apply, but there are always individual situations that may have a different outcome.**

Q. What is the divisor to convert a lump sum to a life superannuation pension for a contributory scheme member who commenced initial employment with the State Service between the 1 July 1994 and 14 May 1999?

**A. The divisor is a figure determined from time to time by the Actuary on the basis of age, whether one is male/female and whether the life pension is reversionary/non reversionary. The current divisors can be between 9.8800 and 24.700 depending on the above.**

Q. How does one calculate the lump sum payable to the surviving partner on the death of the superannuant who was receiving a life pension from the contributory scheme?

**A. The surviving partner will receive 2/3 of the pension that the superannuant was receiving at the time of their death and that amount is multiplied by a factor which is dependant on the age of the surviving partner.**

**For example:**

**If the partner is under 41 then x the 2/3 pension by 12**

**If the partner is over 70 and under 71 then x the 2/3 pension by 7.5**

**If the partner is over 89 and under 90 then x the 2/3 pension by 2.7**

Q. When a superannuant from the contributory scheme dies, can a surviving child also receive a benefit?

**A. Yes, if all of the conditions are met.**

Q. When the superannuants surviving partner who was receiving the life pension from the contributory scheme dies is there any benefit payable to a surviving child.

**A. No**

Q. Can an employee get a life pension if initial employment with the State Service commenced after the 15 May 1999.

**A. No**

Q. Can a superannuant receiving a defined benefits pension elect to have any benefit paid on their death to their estate?

**A. No**

## REVISED TASS CONSTITUTION

**At the Tasmanian Association of State Superannuants Inc. Annual General Meeting held on 19 March this year, the meeting approved the revised Constitution (2013), along with the organisation as an incorporated body. The entire Constitution document is available on the TASS Website.**

**Apart from the standard procedures contained in the constitutions of organisations such as TASS, the revised Objects and Purposes are outlined as follows:**

### OBJECTS AND PURPOSES

The basic object of the Association shall be to monitor and improve the retirement benefits of present and future state superannuants who receive, or will receive a superannuation pension from the defined benefits contributory scheme administered by the Retirement Benefits Fund Board of Tasmania.

**Other objects and purposes shall be as follows:**

3a. To promote actively services and improved living standards for RBF pensioners.

3b. To determine, and where practicable, support the reasonable concerns of members.

3c. To develop and implement policies that will attain the objects of the Association.

3d. To purchase, lease and hire or otherwise acquire any property necessary or convenient for any of the objects of the Association.

3e. To purchase, sell or supply any goods, or accept any gifts for any of the objects or purposes of the Association.

3f. To publish and distribute to members regular newsletters and other material that will promote the interests of the Association and contribute to the well-being of members, and to maintain the website [www.tass.org.au](http://www.tass.org.au).

3g To support, where deemed appropriate, other organisations which can assist in achieving the objects and purposes of the Association.

3h.To undertake any lawful act incidental to the attainment of the objects and purposes of the Association.



# TASS HEALTH

- with Dr Jane Tolman, Director of Aged Care Services,  
Department of Health and Human Services

**This article is number 5 in the series from Dr Jane Tolman entitled, 'HOW TO AGE WELL'.**

## VISION

How we interact with the world is dependent on our senses – vision and hearing. The prevalence of visual impairment trebles every decade after 40 years of age. Fifty per cent of people over 80 have significant impairment and 12% are legally blind. Vision in dim light is particularly poor as we age, and by 80, few can drive safely at night.

It is thought that half of all older people have the wrong glasses. Having regular checks from middle age and ensuring we have the correct spectacles is important for optimal functioning

## HEARING

There is a steady increase in hearing loss as we age. Thirty percent of 65 year olds, 50% of 75 year olds and 80% of 85 year olds will have significant loss of hearing. Getting checked early and maintaining good habits about wearing the aids will pay off later.

### **The consequences of sensory impairment include:**

- mental ill health;
  - depression and paranoia;
  - physical ill health;
  - falls;
  - fractures;
  - reduced quality of life;
  - worse social interaction;
  - functional decline;
  - driving and activities of daily living;
  - ability to be compliant with medications;
  - death; and
- the likelihood we will be able to maintain our independence.

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### **TASS tips to a long and healthy life.....**

A whale swims all day, only eats fish, drinks lots of water, and is fat.  
A rabbit runs everywhere, is a vegetarian and only lives to 15 years.  
A tortoise doesn't run anywhere, only walks slowly, and lives to 175 years.  
..... and you tell me to eat healthy and get plenty of exercise,

**I don't buy it!**

## TASS PEOPLE

**Our North-West Tasmania representative on TASS, Joan Batchelor and her husband Ian have been long-time members.**

**Ian** was born at Hobart and educated at Nubeena Primary School on the Tasman Peninsula, and then boarded in Hobart where he attended the Hobart Junior Technical School for his Secondary education. He did an apprenticeship in fitting and machining at the Hobart Technical College and gained employment there as maintenance fitter and later became a fitting and machining instructor at the College.

He was appointed the first head teacher of Mechanical Trades at the Devonport Technical College, and while holding this position was engaged in the planning and design of the new college in Valley Road. He became deputy principal of the Launceston Technical College, and later promoted to principal of the Burnie Technical College, then appointed as principal, Devonport Technical College, a position he held for 14 years until his retirement in 1989.

During his earlier years in Hobart as an apprentice and teacher, he was interested in sailing and raced a variety of yachts on the Derwent River. Later, in Devonport he built a 9 foot rowing dinghy and a mirror class sailing dinghy to teach his children how to sail. Joan and Ian travelled to Norfolk Island twice, New Zealand twice and have also cruised the Pacific. Ian has five children, six grandchildren and two great grandchildren.

**Joan** was born at Wynyard, educated at the local primary school, and then attended Burnie High School. On leaving school she was employed as an office assistant for the local produce merchants and then worked as an accounting machine operator at the North West Freezing and Canning Company until her marriage. She lived on dairy farms at Gunns Plains and Lapoinya, where she operated the local post office. Following several public service positions in Adult Education, the Devonport and Burnie libraries, she gained permanent employment at Devonport Technical College in 1976 as a senior office assistant until she retired in 1990. Joan and Ian were married in 1983 and they now live in Devonport. She is an active member of the Devonport branch of the Embroiderers Guild of Tasmania, and also enjoys reading, travel and gardening. She has two daughters and three grandchildren.



TASS North-West members Joan and Ian Batchelor

## TASS 'FUNNIES'

**When TASS President, Murray Harper retired from the Education Department he decided that he would like to take up golf.**

So, he went along to the local golf club and asked the club pro if he could give him some pointers on playing golf.

The pro took Murray out onto the first green and showed him some of the basic skills of addressing the ball, practising his swing etc. Then he said to Murray, "Now, I want you to hit the ball as far as you can along the fairway towards the flag up there on the first green. Murray adopted his stance, took an almighty swing and sent the ball sailing all the way up the fairway onto the green and rolling to within a few centimetres of the flag.

The pro was absolutely incredulous and speechless. Then Murray said, "What should I do now? Regaining his composure the pro said, "I want you to hit the ball into the hole". "WHAT!" exclaimed Murray. "Now you tell me you want me to hit the ball into the hole". "Why didn't you tell me that before I teed off?"

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**An elderly man had a serious hearing problem for many years.**

He went to the doctor who was able to have him fitted with a hearing aid that gave him 100% hearing. A month later the man went back to the doctor for a check-up and the doctor told him that his hearing was now absolutely perfect. "Your family must be delighted that your hearing has improved so much?". To which the man replied, "Oh, I haven't told them yet. I just sit a round and listen to their conversations. I've since changed my will five times!"

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**We might be getting on a bit, but just one more senior joke!**

**Another elderly man walked into a bar, sat down and the bartender noticed that the man was visibly upset.** The bartender asked him what was wrong. Trying to control his emotions, the man with tears in his eyes said, "I married a beautiful woman last week. She's 25, intelligent, a marvellous cook, a meticulous housekeeper, extremely sensitive to my needs, my best friend and she's passionate in bed". "But that sounds great!" said the bartender. "Why are you so upset?" Pulling himself together the old man said, "I can't remember where I live".

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**In their retirement some TASS members may have been fortunate to afford an overseas trip to hotels where the English translation of signs is open to interpretation. Here are a few examples:**

- Guests can request a view of the ocean, or the backside of the city.
- Please leave your values at the reception office.
- While the lift is being fixed, we regret that you will be unbearable.
- If you want cool or heat condition in your room, please control yourself.
- The manager has personally passed all water served to guests in this hotel.
- Our wines leave you with nothing to hope for.
- If you consider our service impolite, you should see our manager.

## USEFUL CONTACTS FOR TASS MEMBERS

### Retirement Benefits Fund (RBF) :

All enquiries 1800-622-631

### Australian Taxation Office (ATO):

Personal taxation information 13 28 61

Personal tax automated self help 13 28 65

Superannuation information 13 10 20

### Centrelink:

Pension enquiries 132 300

Overseas pensions 131 673

Financial information service 132 300

Families and parents 136 150

Disability and carers 132 717

## TASS EXECUTIVE - ADMINISTRATION

### CONTACT ADDRESSES FOR THE TASS EXECUTIVE – ADMINISTRATION

**President:** Murray Harper **Tel:** 6243-4326

**Vice President:** Ross Brown **Tel:** 6243-7336

**Secretary:** Rob van Schie **Tel:** 6229-7923

The TASS email address ([info@tass.org.au](mailto:info@tass.org.au)) is held by the Secretary, Rob van Schie

**Treasurer:** John Chalmers **Tel:** 6249-1240

The TASS mobile phone number (0448-731-845) is held by the Treasurer, John Chalmers

**Membership Officer:** Charles Thomas **Tel:** 6248-5902

**Super-News Editor:** Kip Muller **Tel:** 6225-3634

**Northern Tasmania Representative:** June Hazzlewood **Tel:** 6327-2562

**North-West Tasmania Representative:** Joan Batchelor **Tel:** 6427-7001

## CHANGE OF ADDRESS

SHOULD YOU CHANGE YOUR ADDRESS  
PLEASE ADVISE THE  
**MEMBERSHIP OFFICER, CHARLES THOMAS**  
SO THAT HE CAN UPDATE OUR RECORDS