



Tasmanian
Association of
State
Superannuants Inc.

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SUPER-NEWS

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September 2017

Report on Southern Forum

At the Southern Forum, held on 20 June, Nick Connor from Tasplan and Adrian Christian from the office of the Superannuation Commission spoke about management of DB pensions, and the investment strategy and administration of the scheme.



Left to right: Daniel Lane (Stakeholder Relationship Manager); Chris Bevan (President TASS); Adrian Christian (Director, Office of Superannuation Commission); Nick Connor (Chief Operations Manager Tasplan).

Adrian began by listing the members of the Superannuation Commission (OSC): Kerry Adby, Leigh Mackey and Chris Bevan.

He went on to describe the staffing arrangements: ‘The office now comprises 33 staff, of which 28 have transferred from the RBF, bringing the depth of knowledge of the schemes and the corporate memory that will be important in providing a continuation of service delivery to members. We have appointed a new Assistant Director for Member Service, namely Jacquie Shea. Jacquie has a long background in retail banking and more recent experience in Treasury (as well as serving some time in the former Minister for Finance, Scott Bacon's, office). Jacquie manages a team of 9, including 4 Super Consultants based in Hobart, and three Super Consultants based in our Launceston Office. And a reminder in relation to the Launceston Office - the team has moved into

the same premises as the remainder of Treasury, namely Level 3 of Henty House. Tasplan has taken on the former premises in Cimitiere Street. The Launceston team remain 'on the road' weekly, heading out to Devonport and Burnie to meet with members in regional centres."

OSC Activities

The activities of the OSC are currently very much focused on managing the transition to the new structural arrangements, including:

- developing new governance policies and frameworks with the Commission to oversight the Branch's operations;
- working on the transition of member administration functions from the current outsourced provider, Mercer, to the successful tenderer, Link Administration;
- managing the transition of the investment model for the Fund from the historic RBF arrangements to the new arrangements with Russell Investments, which will provide an 'implemented consultant' model to the Commission.

In relation to the transfer of member administration to Link, our current advice is that there should be no disruption to members, except for a period of a couple of days in which the website will not contain dynamic information. Pension payments will continue on the established schedule, not impacted by the transfer. The timing of the commencement of the new administrator is currently under discussion, and it is expected to occur early in the new year.

In relation to Fund investments, under the new 'implemented consultant' model, rather than the Commission issuing mandates to individual fund managers nationally and internationally, and holding real assets such as property and mortgages (as the RBF Board did), the commission will invest directly into Russell Investment funds to deliver its strategic asset allocation. There are parallels here with how an individual might exercise member investment choice with their superannuation provider – they don't select the individual asset holdings, but direct the 'shape' of their investment to align with their chosen risk/return profile.

Russell Investments is a global business directly managing more than \$328 billion in assets and advising on more than \$US2 trillion. Russell Investment Australia was an early provider of implemented consultancy services in 1997, and currently works with around 20 superannuation funds in Australia, around half of which operate defined benefit schemes.

Nick Connor then gave an update on Tasplan arrangements.

He began by noting the success of the SFT and commented that this was a significant transaction by any standards with \$4 billion TAS transferred, invested and unit prices struck and 45,000 member accounts transferred.

In line with the project plan from a budget and timeframe perspective and with only a handful of member complaints mostly around: 'I did not know anything about this'. 'Why was I not asked or consulted?' Concern over withdrawal fee, which I will cover a little later. Tasplan is now a fund that has: \$7.7 billion in FTIIVI; 145,000 members; 160,000 accounts; 50% of the Tasmanian workforce as members; has grown employment in Tasmania to over 150 local staff and receives in the order of \$40 million in contributions each and every month.

Nick outlined the current high volumes of member interaction, citing nearly 3 000 calls being answered each week in the call centre.

BUSINESS MODEL

This new Tasplan Board (13) including 4 from RBF has met and confirmed the new Tasplan will offer a high service model to members but retain a below average fee regime.

This is something of a departure from Tasplan's historic position of lower cost and low service. Features of the new business model now sees over 150 local staff and in-house administration. The transfer means we can continuously provide members with better products, more competitive Fees, as well as the excellent service levels. The broader community could also benefit. A larger, stronger super fund means jobs and expertise will stay with the fund and in the state. Nick then spent some time discussing member feedback including:

MEMBER FEEDBACK

It has been raised, and is true, that Tasplan's returns have been marginally lower than RBF had achieved historically for the same period. It is important to remember that RBF had a high percentage of unlisted assets and that substantially the RBF investment team headed by Dr Ian Lundy has come over to Tasplan.

FEES – As part of the SFT a comparison was undertaken on fees between RBF and Tasplan, despite some differences, both Boards signed off that the SFT was in the members' best interest. As a result, transferring to Tasplan most fees have reduced for former RBF members.

Nick discussed user pays fees and how they interact with and reduce the administration fee paid by all members. Work is underway to remove or reduce some of these fees but a full review is planned for the second half of next financial year once we have enough data on member activity and behaviour.

INNOVATION AND CHANGE PROGRAM

Nick spent some time detailing the significant internal and member focused change program commencing on 1 July, notably: insurance review; advice strategy; online functionality – part withdrawals; fee review; and post retirement product suite.

Internal: accommodation; cultural program including EBA – 4-1; New Corp Systems – HR and Accounting.



The Southern Forum was well attended as can be seen from the photo above.

FROM THE PRESIDENT

It may not seem that way, but the Executive has been very busy with the issue of the 10% Cap Legislation.

We have received final advice from RBF and they have confirmed that no employer contributions have **ever been included when calculating the tax-free component** of our Defined Benefit Pensions.

On the 8th February 2016 in Parliament, Minister Porter, when responding to a question from Andrew Wilkie MP on behalf of TASS, stated:

'If it was one of those rare schemes that was contributory then there are bases on which the rules that are about to be introduced can be excluded (Hansard 8/2/16)'

As you would all know our scheme was both compulsory and contributory.

There seems to be confusion around exemption of unfunded schemes. We have not had any success in reaching the author of an article that appeared in the Mercury (12/6/17) where this was referred to.

What have we done? TASS has written to Minister Porter on the 18th June 2017 and asked the following questions.

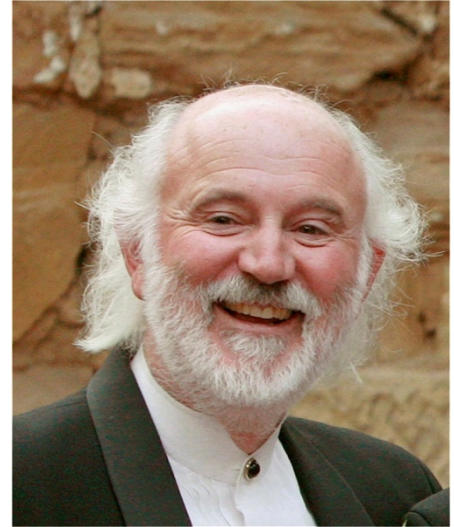
- As the Retirement Benefit Fund was a contributory fund why can't the Fund be excluded from the 10% Cap Legislation?
- As RBF has confirmed that **no employer contributions** (pre and post 1983 and post 2007) have ever been used to calculate the tax-free component of the DB Pensions why can't the Fund be excluded from the 10% Cap Legislation?

As expected, the Minister has not yet responded, but TASS will continue talking to his staff until a response is received.

In my last column I mentioned that a possible trip to Canberra to meet with the 'power brokers' was being considered. At the July Executive meeting it was resolved to follow up with Justine Keay's offer to arrange a meeting with Jenny Macklin MP (in Melbourne or Canberra) to discuss what the ALP can do to help TASS. The meeting will occur as soon as it can be arranged after the 15th August 2017.

Your Executive continues to work hard on your behalf.

**Christopher Bevan,
President**



NORTHERN MEMBERS FORUM

TASS MEMBERS ARE INVITED TO ATTEND A FORUM

PRESENTED BY

MR NICK CONNOR
CHIEF OPERATIONS OFFICER AT TASPLAN
&
MR ADRIAN CHRISTIAN
DIRECTOR, OFFICE OF THE SUPERANNUATION COMMISSION

TOPIC: MANAGEMENT OF DB PENSIONS, INVESTMENT
STRATEGY & ADMINISTRATION OF THE SCHEME.

FOLLOWED BY AFTERNOON TEA
(CAFÉ NEXT DOOR AVAILABLE FOR LUNCH)

DATE: TUESDAY, 26 SEPTEMBER

VENUE: WINDSOR COMMUNITY PRECINCT
1 WINDSOR DRIVE
RIVERSIDE
LAUNCESTON

ARRIVAL TIME: 11.00 AM
REGISTRATION

RSVP: BY FRIDAY 22 SEPTEMBER
TO: JUNE HAZZLEWOOD
PHONE: 6327 2562
MOBILE: 0414 770 864
Email: ahazzlew@bigpond.net.au

NB This is an excellent opportunity to ask questions relating to RBF Defined Benefits and the Tasplan Accumulated Fund. Our speakers are both senior officers of these schemes and would be happy to answer any questions you have about either scheme.

FORWARD YOUR COPY OF *SUPER-NEWS* TO OTHERS

TASS members who receive *Super-News* by email are encouraged to forward it to friends or former colleagues, particularly people who they know are still working in the state service, but are nearing retirement, with the suggestion that they consider joining TASS.

TASS EXECUTIVE MEETINGS – MEMBER ACTIVITIES 2017

September	Tuesday 26	11.00 AM	Northern Forum	Launceston
October	Tuesday 18	1.30 PM	Executive Meeting	Hobart
November	Tuesday 21	1.30 PM	Executive Meeting	Hobart
November	Tuesday 28		Pre-Christmas Luncheon	Launceston
December	Tuesday 5		Pre-Christmas Luncheon	Hobart

COTA Seniors Week

will be held from Monday 16th to Sunday 22nd October 2017.

This year for Seniors Week, COTA Tasmania is encouraging patrons to get out and about and enjoy Tassie's fantastic parks and reserves, whether it be a city-based park, a council reserve or one of the state's world-class national parks. We therefore encourage the development of Seniors Week events that cater for activities that can be performed outdoors so participants can enjoy the myriad of health and social benefits.

We are delighted to be collaborating with our Parks and Wildlife Service who have agreed to provide advice and assistance to those thinking of organising an outdoors event in a national park or reserve. Please contact us and we will put you in touch with experienced and helpful Parks personnel.

But, of course, Seniors Week patrons can again look forward to a wide array of general events around the state, including bushwalks, barista courses, sing-alongs, films, health checks, afternoon teas and dinners, sports activities and IT information sessions. And more!

For further information email COTA at admin@cotatas.org.au

Or phone: 6231 326

What is U3A Online?

In many countries of the world including the UK, Europe and Australia, U3As, or 'University of the Third Age' (the 'third age' being that of retirement) have been widespread and popular for decades. They are volunteer-run organisations providing learning opportunities and social interaction for seniors.

However, not everyone can access a local U3A, so U3A Online was set up in Australia to provide online learning for seniors who are isolated or simply prefer to study at home.

Although it originated in Australia, it is open to anyone in the world who has a computer with internet facility and who speaks English. There is a small annual fee to cover costs but it is a not-for-profit organisation.

No matter where you are, you can enjoy U3A Online. All you need is an internet connection, payment of a small fee to sign up, and you are part of it. It's the world's first virtual U3A and offers over 60 short courses and many other useful resources for older people. With U3A Online there's no pressure, no prior qualifications and no exams. You learn for pleasure.

More information at: www.u3aonline.org.au

Meet Your Executive

We thought members might find it interesting to know a little more about the people working on their behalf so we will include a profile or two of Executive members in forthcoming editions of Super-News. The first to step up is John Minchin, our Secretary.

Name:

John Minchin

Background:

I was born in Hobart, and spent most of my school years in Melbourne before returning to Tasmania

Education:

I started at Macquarie Street State School in South Hobart. Later moving to New Town High and Elizabeth Matriculation College.

I studied Mechanical Engineering at the University of Tasmania, and later an MBA at Deakin.

Work and Life experience:

I worked with Hydro Tasmania (The Hydro) for 35 years, in a range of different work - Hydraulic design, Dam construction, Mechanical maintenance and design, Engineering management, IT, and Risk Management

Family:

I am married with 2 adult children and 3 grandchildren

Current activities and interests:

As well as my TASS role, I am a Board member at Hobart City Mission, and am also involved with the Association of Professional Engineers Australia.

My interests include photography, genealogy, travel, music and keeping an old MG roadworthy.

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USEFUL CONTACTS FOR TASS MEMBERS

(Revised August 2017)

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

Centrelink:

(Access Centrelink and Medicare services)
Older Australians and Financial Information Services 132 300
Disability, Sickness and Carers 132 717
Website www.humanservices.gov.au

TASS EXECUTIVE – ADMINISTRATION

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CHANGE OF ADDRESS

Should you change your address please advise the **Membership Officer, Charles Thomas** so that he can update our records. **Tel:** 6248-5902

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All you need to do is send an email to: info@tass.org.au with the words 'Super-News' as the subject. **There is no need to write anything else.**