

**TASMANIAN ASSOCIATION of STATE
SUPERANNUANTS
SUPER-NEWS**

ISN.5605 Aug 2010 No 3/10
The Newsletter for and by TASS members
36 Years old

To contact the TASS executive

President: Tony Robinson 62652238
V. Pres. Charles Thomas 62485902
Secretary: Tom Ellison 62283113
Membership: Kevin Hardy 62286485
Treasurer John Chalmers 62491240
S.N. Editor Tony Haig 62601026

E-mail haig@keypoint.com.au

TASS Web Site www.tass.org.au

Postal Address
P.O. Box 66
New Town
Tas. 7008

INDEX FOR THIS ISSUE

Page 1 Editorial
Page 2 Meetings
Page 3 Tax Time
Page 4 Letter to O'Byrne
Page 5 cont.
Page 6 Letter to McKim
Page 7 Ron Darvell
Page 8 Pension reform
Page 9 Free Computer?
Page 10 O'Byrne Reply
Page 11 Computer Help
Page 12 Useful Contacts

**TASS General Meeting
Tuesday 17th August
Baha'i Centre
1 Tasman Highway
Tranquillity Room
Starting at 1.30
Details next page
A chance to experience this
wonderful new addition to
Hobart**

EDITORIAL

The older we get, the more frequently elections seem to occur, or is it just me? As this issue should reach you just before the next Federal poll, it will come as no surprise that indexation does get a mention on later pages.

Although a State issue, on pages 4 to 6 are letters from our President to ministers McKim and O'Byrne. The argument for indexation is well made in the first letter and equally applies to Federal politicians.

You will note that this time our General meeting will be held at a new venue, The Baha'i Centre for Learning. The change was made as the acoustics in the previous centre were not good and many of our members reported difficulty in hearing what was said. The change also gives an opportunity for those who have not yet had a chance to see one of Hobart's significant new facilities. As mentioned on page 2 a light lunch is available in their café for those interested.

Some may have noticed that the TASS web site has been off air for a while. We do apologise but we missed a payment to our web host which resulted in us being taken off air. Unfortunately getting the web site restored is not as simple as losing it.

On page 7 we give tribute to Ron Darvell, previous TASS president for many years, who passed away recently.

Ed

FUTURE MEETINGS



General Meeting

Tuesday 17th August at the
Baha'i Centre for Learning.

1 Tasman Hwy
Tranquillity Room
Starting at 1.30

All are welcome to attend.
Please note that for this meeting we are using a new venue. The Baha'i Centre is the relatively new round building just behind the ABC. Parking is available on site at the Centre. Charles Thomas who made the booking has provided the following directions. **The Baha'i Centre of Learning for Tasmania is at 1 Tasman Highway, Hobart. The entrance is immediately past the lights at the Woolstore heading towards the Tasman Bridge (one needs to be in the inside lane heading towards the bridge). For vehicles travelling from the Brooker Highway, turn left at the Woolstore lights then virtually left again into the Baha'i Centre.**

TASS meeting will be in The Tranquillity Room which comfortably seats 35 people. Light lunches are available from the Café for those wishing to eat before the meeting. The Baha'i website is www.tasbcl.com.au or ph. 62347654 for any enquiries.

Executive Meetings

Tuesday 21st Sept
Tuesday 19th Oct.
At Forestry Tas. Starting at 1.30.

The Christmas Luncheons

This is advanced notice of the two TASS Christmas Luncheons.
Hobart: Drysdale House Thursday 4th November. Ph Charles Thomas on 6248 5902 or 04224 14861
Launceston: Sunny Hill Tuesday 16th November. Ph June Hazzlewood on 6327 2562 or 04147 70864. Further details for both functions will be in the next Newsletter which will be out a week before the Southern Luncheon.

Social Activities for the Retired

TASS devotes time and energy to the economic future of our Superannuant members. Apart from a few luncheon meetings we do not provide much in the way of social activities for our members. However social interaction is important in retirement, especially following the loss of a partner. There is in Hobart a very active group which does meet this social need for retired persons. It is ARPA or The Australian Retired Persons Association. It is a non-profit organisation providing information, support for men and women who are preparing for retirement or are retired. Activities include Bus trips, lunches, walks, social tennis and lawn bowls. Each month there are a wide range of choices. The ARPA newsletter is usually available at each TASS General meeting. If you wish to contact ARPA directly to get more information on their activities please phone (03) 6244 1598 or e-mail arpatas@keypoint.com.au. There is also an office which is manned by volunteers between 10am to 12 noon, Tuesday to Friday. The office is located near the corner of Dampier and Bligh Streets, Warrane next to the Sports Centre and set back from the street. A number of TASS members are also members of ARPA.

The following item was in the May edition of the ARPA newsletter.

Below find a transcript of the ACTUAL radio conversation between a US. Naval ship and Canadian authorities off the coast of Newfoundland.

Canadians:

Please divert your course 15 degrees to the south to avoid a collision.

Americans:

Recommend you divert your course 15 degrees to the north to avoid a collision.

Canadians:

Negative. You will have to divert your course 15 degrees to the south to avoid a collision.

Americans:

This is the Captain of a US Navy ship. I say again, divert YOUR course.

Canadians:

No, I say again, you divert YOUR course.

Americans:

THIS IS THE AIRCRAFT CARRIER U. S. S LINCOLN, THE SECOND LARGEST SHIP IN THE UNITED STATES' ATLANTIC FLEET. WE ARE ACCOMPANIED BY THREE DESTROYERS, THREE CRUISERS AND NUMEROUS SUPPORT VESSELS. I DEMAND THAT YOU CHANGE YOUR COURSE 15 DEGREES NORTH. I SAY AGAIN, THAT'S ONE FIVE DEGREES NORTH, OR COUNTER MEASURES WILL BE UNDERTAKEN TO ENSURE THE SAFETY OF THIS SHIP.

Canadians:

This is a lighthouse. Your call.

IT IS TAX TIME AGAIN

Yes July 1st has passed so once again it is time that many people will be filling in their annual income tax return.

'News for Seniors' in the winter edition has the following advice for those who

are not sure if they need to lodge a tax return.

“You will have to lodge a 2009-10 tax return if:

- **you paid tax during the 2009-10 financial year**
- **you were eligible for the senior Australians' tax offset and your taxable income exceeded the relevant lodgement threshold**
- **you received an Australian Government pension, allowance or payment and your taxable income exceeded the relevant lodgement threshold applicable to recipients of these payments, or**
- **your taxable income exceeded the \$6000 tax free threshold and the other lodgement thresholds did not apply to you.**

Not sure? The *Do I need to lodge a tax return* tool on the ATO website can help you decide whether you need to lodge a 2009-10 tax return. Visit www.ato.gov.au/individuals for

more information or call 13 2861

One of the most convenient ways to lodge your tax return is online using *e-tax*. It is easy, safe and secure and help is available online and over the phone.

***e-tax* is available from www.ato.gov.au from 1 July 2010 and most people receive any refunds due, within 14 days.**

You can also lodge using TaxPack 2010 which is also available from most newsagents and ATO shopfronts. It can also be ordered online at www.ato.gov.au or calling 1300 720 092.”

28 June 2010

Dear Minister

Re: Indexation of RBF Pensions

Firstly, on behalf of my organisation may I congratulate you on being elected to Parliament and very appropriately being made Minister for Workplace Relations. Your considerable experience in the industrial relations area equips you well for this important portfolio.

Prior to the last State election "TASS" wrote to each of three political parties in Tasmania seeking their endorsement, as a matter of policy, to review the Retirement Benefits Act 1993 to enable defined benefits pensions to be indexed half yearly by the greater of:

- (a) Increases in the CPI
- (b) Increases in Male Total Average Weekly Earnings
- (c) Increases in the new Pensioner and Beneficiary Living Cost Index.

The responses we received previously were mixed but sufficiently encouraging for us to now invite you, as new minister in a new parliament, to constructively and fairly review the merit of what we request, as detailed above.

All Social Security Age Pensions and Veterans Affairs Pensions are indexed bi-annually as above, but RBF pensions are limited to movements in the CPI.

This anomaly became the focal point of an in depth Senate Select Committee Inquiry in 2000 which was to address the "Benefit Design of Commonwealth Public Sector and Defence Force Unfunded Superannuation Funds and Schemes".

Since the States have similar unfunded defined benefits superannuation schemes which use the CPI to index pensions, they were invited to participate in the inquiry. Accordingly, TASS took up the offer and joined others to make a contribution.

Prominent Tasmanian Senators John Watson and The Hon. Nick Sherry were the Chair and Deputy Chair respectively. Both were well versed in superannuation matters, giving emphasis to the status of this inquiry.

In its published report in April 2001, the Committee recommended that (inter alia):

1. The Government examine the feasibility of adopting an indexation method other than the Consumer Price Index (CPI) ---- to more adequately reflect the actual increase in the Cost of Living,

2. and that, for equity reasons, the changes made to Commonwealth public sector schemes should also apply to State public sector schemes, where appropriate.

Under the heading "Conclusions and Recommendations" contained in the bulk of its report, the following quotes are to be found and explain its reasons for making such recommendations, i.e.:

"The Committee considers that Commonwealth public sector and defence

force superannuants do have grounds on which to claim that they are entitled to a reasonable and secure retirement as part of the employment package offered by what was understood to be a genuine career service." And

"It was a founding assumption that, as a condition of service (which required compulsory contributions by employees), the schemes would provide for adequate superannuation in retirement. It was also a founding assumption that, as identified in the Pollard and Jess reports, annual indexation of benefits would preserve the purchasing power and value of benefits through adequately reflecting the rise in the cost of living."

The Committee then said that:

"It is never-the-less clear, as revealed in evidence, that the term Cost of Living is not consistently applied," and

"The Committee notes the evidence given by the Australian Bureau of Statistics (ABS) the CPI is not a measure of the cost of living, and

"The Committee also notes that the 'Basket of Goods' used by the ABS to measure the cost of living does not appear to reflect the actual expenditure patterns of the retired." (our underlining)

Mr Minister, our members believe, and we as an organisation believe, the case for a review of the RBF defined benefits pension indexation method is wholly justified on the grounds of equity, justice and merit supported by evidence.

We believe also that superannuation as a condition of, and arising out of, employment should be regarded as an industrial matter correctly falling within the responsibility of the Minister for Workplace Relations.

We candidly express to you our frustration and dissatisfaction at the manner in which our earlier representations to the previous Government were denied. And in this regard, we are painfully aware of the fact that the Department of Treasury and Finance is responsible for the administration of the Retirement Benefits Act.

Our members have told us this situation is akin to putting the fox in charge of the hen house.

We agree with what is being said given the tenor of the written responses received and the rejection of our well documented case on what can only be described as specious grounds.

As a responsible organisation, we recognise that any cost implications of proposed legislation changes such as that now suggested must be a consideration, but not to the exclusion of other equally important factors.

If it is your wish, we would be available to more fully brief you on this important matter at a time suitable to yourself.

Yours sincerely
Tony Robinson
President TASS

Just before going to press, TASS has received a reply from David O'Byrne thanking us for the congratulations and advising that he has referred our request to The State Treasurer. (see page 10) Ed

Dear Mr McKim

28 June 2010

I write to you in your capacity as Green's Leader concerning my organisation's request to you prior to the last State election for RBF superannuation pensions to be indexed bi-annually by the greater of:

- (a) Increases in the CPI
- (b) Increases in Male Total Average Weekly Earnings
- (c) Increases in the new Pensioner and Beneficiary Living Cost Index.

In your letter in reply of 25 September 2009 you said Tasmanian Greens MPs support legislation to ensure RBF superannuation pensions are in the future adjusted in the manner described above.

Given the make-up of the new Government we have deemed it appropriate in the first instance to write to the Minister for Workplace Relations, The Hon. David O'Byrne, asking him to consider the full extent of our case for change, and not just obvious Treasury advice.

Naturally we would hope that as Member of Cabinet in the reconstituted Government your voice would be influential in any decision taken in relation to this particular matter. We have therefore made Minister O'Byrne aware that we have sent a copy of our recent letter to him to you.

We have offered to meet Minister O'Byrne and, if you both agree, a joint meeting would possibly be appropriate.

Yours sincerely

Tony Robinson
President, TASS

Promises Promises Promises

In May my wife and I were driving towards Melbourne on the Calder Freeway, a dual carriage highway. The traffic was light and some distance ahead we noticed a tanker truck that was traveling slightly slower than us. As the gap closed we saw that the tanker was painted in dark green and was very neat, it was in fact a truck for emptying septic tanks. In sign writing across the rear of the tank were the prophetic following words:-

“Yes, you are following another load of Politicians promises”

With the indexation issue, time will show if the truck owner's comment was justified. *Ed.*

Ron Darvell

Our members who get *The Mercury* newspaper would have read of the sad passing of Ron Darvell in June. TASS owes a great debt to Ron who was President of our organisation for a number of years. He was also very active on the executive for a longer period. In his final year as President in 1994, Ron convened a special meeting to consider the very future of TASS. Many of the executive were approaching 80 and new blood was needed if TASS was remain effective. It was a result of that meeting that 4 of the present executive, became part of the executive in 1994. Characteristically, Ron, together with Kit Button and Eileen Harrison agreed to continue with the new executive in order to help us inexperienced members with TASS's numerous roles. Ron's dedication to TASS was recognised in granting him life membership at the annual General Meeting in March 1997.

Although not active on the executive after 1997, Ron until recent years always attended the TASS Annual General Meetings, 'just to make sure that we were doing things correctly.'

A great loss to the organisation.

TASS members express their condolences to his widow Elizabeth and all his family. A notice of condolence from TASS was published in *The Mercury* newspaper.

Letter from our President to *Mercury* and *Examiner* Newspapers on the State use of superannuation cash reserves.

Dear Sir

The Hon. The Treasurer seems to believe that he is entitled at any time to raid net cash reserves set aside for meeting public servants superannuation entitlements, to the tune of \$450 million in 2010-11 and another \$90 million in 2011-12.

This is notwithstanding the existence of federal law requiring employers to contribute and invest funds on behalf of their employees.

Not funding superannuation at all for a long time and now diverting funds to provide services and the cost of infrastructure has obviously advantaged tax payers by reducing borrowings and interest payments for decades.

What is particularly galling to RBF defined benefits pensioners is the sheer hypocrisy of a government which deliberately increases the size of its unfunded liability and then uses this as a reason to refuse making the more equitable indexation arrangements which apply to other pensioners

Yours sincerely

Tony Robinson

President

Tasmanian Association of State Superannuants

Note this letter was printed in *The Mercury*, we have not been advised if also in *Examiner*

2009 Age Pension 'Reforms'

Dr. Ray Hickman from our kindred organisation in South Australia in association with Rob. vanSchie has produced the following document. It shows the disadvantage experienced by defined benefits pensioners when receiving or applying for Centrelink age pensions. There are two separate tests for Centrelink pensions. Asset and Income. Most of us would be limited by the income test. As the document shows the 2009 changes disadvantage those who are limited by the Income test while favouring those who are limited by the Asset test.

Inequitable treatment of retirees resulting from the 2009 age pension reforms

The age pension reforms of 20 September 2009 included a severe tightening of the withdrawal rate for the income test (from 40 cents to 50 cents in the dollar), but NO change in the withdrawal rate for the asset test. The result of this is that most recipients of defined benefit superannuation pensions who reach age pension age after 20 September 2009 will be immediately worse off than they would have been without the reforms. Defined benefit superannuants who already receive a part age pension will become worse off over time, during a 'transitional period'. The reason is that the maximum age pension value used to calculate part age pensions in the transitional period is indexed to the CPI only.

However by leaving the withdrawal rate for the asset test unchanged the Government has ensured that retirees holding relatively large private, income producing assets (\$500,000 or more for singles, \$800,000 or more for couples) from which they derive quite large incomes will receive the maximum improvement that the Government says should only go to those with little or no private means.

The age pension reforms have had the effect of depressing the incomes of people who are income-tested for age pension, and who have low incomes to start with, while people with larger incomes who are asset-tested have been made even better off. And yet the Government stated that its purpose in tightening the withdrawal rate for the income test was to ensure that the maximum increases in the base rate for age pension would be received only by those with little or no private means, while those with higher incomes received proportionally less.

This inequitable treatment of people is a highly objectionable part of the Government's age pension reforms.

A person receiving a defined benefit pension cannot cash the pension in. For this reason the pensions do not have an asset value and are always income tested for age pension purposes. The average pension paid from public service defined benefit funds in the year ending 30 June 2009 was about \$30,000 pa with all, or nearly all of the pension being counted in the income test. Most recipients of these pensions are eligible for a part age pension once they have reached the qualifying age, and across Australia there are hundreds of thousands of defined benefit pension recipients to whom this applies.

Other retirees derive their incomes from lump sums which they can cash in at any time and so are subject to both the assets and income tests. However the allocated pensions have large tax-free components for Centrelink purposes so that allocated pension recipients are (with rare exceptions) asset tested.

Following the tightening of the income test on 20/9/2009 the age pension means-testing rules heavily favour asset-tested people. For example a couple retiring on 30 September 2009 and receiving a defined benefit superannuation pension of \$38,570 pa will be eligible for a Centrelink age pension which will be about \$3,200 pa less than that of a couple retiring on the same date with the same pension but derived from an allocated pension account with a balance of \$514,000.

News release from AAP in Early July

A coalition government would increase veteran pensions in a move to win the support of the veteran community.

Opposition Leader Tony Abbott and opposition defence and veterans spokespeople said the coalition would legislate for new indexation arrangements for Defence Force Retirement and Death Benefits Scheme (DFRDB) members as part of its commitment to supporting veterans and ex-service personnel.

Mr Abbott said that from July 1, 2011 DFRDB members aged 55 years or older would have their military superannuation pensions raised by the greater increase of either the Consumer Price Index (CPI) male total average weekly earnings (MTAWE) or the Pensioner and Beneficiary Living Cost Index (PBLCI).

Although the above is just what we have been attempting to get for many years, it is only to apply to defence Force personel as being a 'special case.' It is however the first time that a major party has supported the principle of the need to review indexation of pensions and as such is indeed a milestone. *Ed.*



Would you like a Free Computer?

Two of the executive who use their own personal computers for many activities including TASS work have found the need to upgrade in recent years. The superseded computers have been retained 'just in case' they are required again. After pressure from our wives we are offering these old, but fully operational comptuters each with Windows 98SE Free to 3 TASS members. Although, with the addition of a modem, they could be used on the internet, they are ideal for word processing, digital picture storage, calculations, simple games etc. If you would like to try your hand at computing, (you are never too old) contact either Lance Brown 6228 2018, or Tony Haig 6260 1026. Please note I will be away between 14th and 22nd August. *Ed.*

Minister's Reply

The Hon. Minister, David O'Byrne, replied to our letter concerning the indexation of RBF pensions on 26th July 2010.

In brief note the Minister said:-

“Notwithstanding your views about the industrial aspect of Superannuation the appropriate Minister for dealing with matters pertaining to Superannuation is The Treasurer”

It is disappointing that “the system” does not allow the minister for Workplace Relations to deal with this particular condition of employment matter. (Superannuation was a condition of our employment)

TASS had followed what it believed to be proper procedure with the new State Government in the hope that the case, we went to some length to illustrate, would be considered on merit and in the proper forum, not Treasury.

We can now justifiably move to seek the assistance of the peoples' parliament as a whole and rely upon written commitments given to TASS by other political parties before the last State election.

Tony Robinson President

The case for replacing CPI

ACSPRO vice President Tom Hayes has prepared a very well researched document outlining the reasons why CPI is totally inappropriate as the measure presently used to index Superannuation pensions. The paper was too long to be included in this Super-News but copies will be available at the August General meeting. It will also be available for all to read on the TASS web site. The calibre of the author can be judged by his previous background as listed below.

Secretary, Department of Industry Technology and Commerce: 1982 to 1985

Comptroller General, Australian Customs Service: 1982 to 1988

Secretary General, World Customs Organisation: 1989 to 1993

Appointed an Officer of the Order of Australia for service to international organisations and for public service: 1992

For those interested in the argument for the replacement of CPI, this is a very good reference which has been forwarded to the Federal government.

Computer Help

The following Computer keyboard shortcuts are by kind permission of “Linking Tasmanian Seniors” and were arranged by Malcolm Jones.

KEYBOARD SHORTCUTS

Most keyboards have a key on either side of the space key between the Alt and Ctrl keys with a Windows logo on it. This is the Windows button. If you press it, the Start menu is displayed. Below is a list of other functions that the Windows button (called Windows Logo below) can do when it is pressed in combination (at the same time) with other keys.

Windows Logo alone: opens the Start menu

Windows Logo and R: opens the Run dialog box

Windows Logo and M: minimizes all of the windows.

Windows Logo, SHIFT, and M: undoes the "minimize all" that the previous combination did.

Windows Logo and F1: starts Windows' Help and Support Centre.

Windows Logo and E: opens Windows Explorer

Windows Logo and F: opens Windows Explorer's Search to find files or folders.

Windows Logo and D: minimizes all open windows and displays the desktop.

Windows Logo, Ctrl, and F: opens Windows Explorer's Search to find computers on the network.

Windows Logo, Ctrl, and TAB: if the focus is on Start, Quick Launch, or the system tray, this moves the focus through these three menus (use RIGHT ARROW or LEFT ARROW to move the focus within these menus). This is helpful if your mouse is not working and you need to navigate using the keyboard.

Windows Logo and TAB: cycle through taskbar items.

Windows Logo and Break: display the System Properties dialog box.

And just to recap some of the points made in earlier editions of Super-News.

1. Always have a reliable virus detection program on your computer and make sure that it is kept up to date by regular 'up dates'
2. Make sure that you also keep your windows up to date
3. Although not mentioned earlier, it is not unknown for computers to develop problems soon after grandchildren have been using, especially on the web.
4. Having said that often the very young understand computers much better than us 'oldies'
5. If you have a C.D. or D.V.D. burner on your computer, it is not too hard to copy to disc pictures or in fact anything that is on your computer.
6. Your computer does have the capability to remove unwanted or superseded files, it can also clean up or defrag your memory to speed up operation.
7. If you do not have a computer but would like one see page 9

