



Tasmanian
Association of
State
Superannuants Inc.

SUPER-NEWS

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No: 2/24

Winter Edition

June 2024

8 August 2024 is the 50th Anniversary of the establishment of the Tasmanian Association of State Superannuants Join us in celebrating this milestone at:

- Venue:** Drysdale House Restaurant
59 Collins Street, Hobart
- Date:** 29 August 2024
- Time:** 12 noon
- Details:** Arrival drink followed by a two-course luncheon with choices for mains and dessert
- Cost:** Two course meal and drink on arrival \$40 per person
Less \$10 contributed by TASS = \$30 per person
- Payment:** Members are to pay individually. Drysdale does not accept cash, only debit and credit cards. If you prefer to pay by cash, Michael Walker the Treasurer, will accept it on the day. *However, a bank transfer to the TASS MyState account is preferred. You must note your name when making the transfer.* Details are:
BSB: 807 009
Account number: 30137067
Account name: Tasmanian Association of State Superannuants
- RSVP:** By 5:00pm Thursday 22 August 2024 to JeneaneThomas,
0408 485 902, or info@tass.org.au

N.B. Details of a Northern Forum on 24 September 2024 are on page 5

Tasmanian Association of State Superannuants - Foundation Members on 8 August 1974

- 1 Mr C H Glover, **Convener and First President**
- 2 Mrs F Cripps - **First Treasurer**
- 3 Mr Ivan Dalwood
- 4 Mr W J Ferguson
- 5 Mr K R Trayling - **First Vice President**
- 6 Mr W A Watson
- 7 Mr E Quigley
- 8 Mr J W Aldridge
- 9 Mrs B Mathewson
- 10 Mr G T Baxter
- 11 Mr C J Freer
- 12 Mr D Griffiths
- 13 Mrs D Griffiths
- 14 Mrs J Miller - **First Secretary**
- 15 Mrs D M Burgess
- 16 Mr T Newman
- 17 Mr T H Shirley
- 18 Mr S Prell
- 19 Mr F Peters
- 20 Mr F A Fawns
- 21 Mr A Gallia
- 22 Mr C Bramich
- 23 Mr F W Ruthven
- 24 Mr A Miller
- 25 Mrs Joyce Beltz
- 26 Mrs A Hoggins
- 27 Mrs E Batt
- 28 Mr F C E Knight
- 29 Mr J E C Hales
- 30 Mr R B Pitt
- 31 Mr R M H Garvie
- 32 Mr Roy Bonniticha
- 33 Mr S E Godfrey
- 34 Mr L G Shea
- 35 Mr W J Terry
- 36 Mrs Lewis
- 37 Mrs R Maher
- 38 Mr J B McNamee
- 39 Mr E Clancey
- 40 Mr G Hill
- 41 Mr T L Warner

President's Report – May 2024

Well, another Commonwealth budget is upon us and hopefully we will see needed cost of living relief included in this budget. As I pen this prior to the budget I hope we will see meaningful changes in the budget which address this crisis facing older Australians on fixed and low incomes.

There is a real need to ensure that energy prices are kept in check, and if possible reduced. I wonder how much longer low income energy consumers will need to cross subsidise those who are better off and able to afford solar panels on their roof, benefit from elevated feed in tariffs and purchase subsidised electric vehicles (EVs) which don't pay any fuel excise taxes. The Treasurer is keenly promoting the end of high inflation, but when we confront our insurance bills, seek to engage a tradie to do needed jobs around the house, pay rent or our mortgage, worry how we will meet the rate demands of our council or register our cars we are faced with cost increases which we know exceed the headline rate of inflation. Going to the shop to buy ingredients for a meal or going to the pub for what used to be a cheap night out also remind us constantly of just how fast everyday costs are rising and how difficult it is to manage.

I certainly hope that this time around the Treasury models are correct and the inflation dragon is slayed.

Since I last wrote we have a new Government and a very interesting Parliament in Tasmania. Hopefully the expanded cross bench will lead to some more robust debate within the House of Assembly and critical issues such as housing, health, transport, climate change and development will see better solutions adopted.

With the new Government now in place it is my intention to seek to meet the new Secretary of the Treasury, Gary Swain, and raise with him a number of issues in relation to the Superannuation Commission. I continue to think that a sole commissioner is not the best governance model for a Commission which has responsibility for the \$2 billion of our funds for which it is Trustee. My preference would be to return to a three person Commission with a representative from the membership of the Retirement Benefits Fund. I would also like to see more communication from the Commission to members. When we met with the Commissioner some time ago seeking a regular column in SuperNews from the Commission the reply was that the Commission wanted to talk with all members of RBF, not just members of TASS. But that has not happened.

I have also sought from the Commission a copy of the most recent actuary's report on the performance of the fund. In South Australia this report is tabled in the Parliament. In Tasmania the report was not tabled in parliament, however, a copy has been provided to TASS.

As you would all be aware the new Jacqui Lambie Network (JLN) members of Parliament entered into an agreement with the Government to ensure stability over the next parliamentary term. One aspect of this agreement was a review of Tasmania's finances. They wanted to see the books. This review has recently been announced and will be undertaken by Saul Eslake. Given some of the comments Saul made during the election campaign, I will not be surprised to see him make comment on the level of the superannuation liability. I certainly hope any such comment reflects the reality of the situation surrounding that liability, including a few key facts such as:

- a) The creation of the liability was a conscious decision of past governments and supported the development and delivery of key public services for Tasmanians;
- b) The liability can never be called in and represents a cheap source of debt for the State Government, certainly cheaper than borrowing on the open market;
- c) The superannuation liability has fallen significantly in recent years from a peak of \$10.3 billion in 2019/20 or 78.1% of Tasmania's debt to \$7.7 billion in 2023/24 or just 51.3% of debt.
- d) That the payment of superannuation to RBF members represents the deferred payment of a benefit which should have been paid by Government while we were still employed. At a cost of \$440 million in 2023/24 it compares quite favourably with the superannuation expenses for current employees

which is hidden within the employee expense item of the budget. I estimate it to be around \$350 million.

- e) That the transparency around superannuation should be provided in relation to the other debts of the State Government, including debts incurred by Government owned corporations. Clearly the paying down of the superannuation liability is a well recognised issue and similar arrangements should be transparently in place for the other liabilities of the Government.
- f) The cost of meeting the superannuation expense, while large, represents cost effective financing and moves to offset the liability as proposed by the Government during the election campaign should be allocated to retiring some of the more expensive liabilities held by the Government.

If Saul can get this bit of his report correct, then he will be well down the path to presenting a good overview of Tasmania's books for the JLN representatives.

I finally want to briefly cover two items of continuing interest to the executive and myself. Each of these items gains the same broad response from the Commonwealth Treasury. These are the 10% Cap on the offset we can claim when seeking access to the Age Pension and the decisions made in relation to the better targeting of superannuation tax concessions.

In relation to both of these issues the mantra from Canberra is that members of unfunded Defined Benefit (DB) Superannuation schemes must be treated equitably with those who are members of funds operating under the Superannuation Guarantee arrangements. I still have considerable concerns with such comments from the Canberra bureaucracy.

What I would like to see is a clear explanation from them how imposing normal income tax arrangements and a 10% cap on the members of a scheme such as RBF is fair and equitable when compared to the tax exemption and 40% tax offset available to those with a lifetime income stream. Clearly for retirees with the same income stream, the latter gain significantly better access to the Age Pension.

I also fail to understand how the Treasury can sustain their arguments relating to the application of the Better Targeted Superannuation Concessions to members of unfunded Defined Benefit Superannuation schemes. Now admittedly in this instance we are referring to retirees on very high unfunded defined benefit income streams. However, these individuals are not in receipt of the generous taxation concessions available to those whose superannuation comes under the superannuation guarantee arrangements. Their pensions will, in effect, be taxed twice. Firstly, as normal income when they receive it and secondly under the new superannuation tax arrangements.

Just to illustrate the point, a retiree with an unfunded defined benefit pension of \$300,000, don't we all wish we had that benefit, will see their total tax bill rise from around \$105,000 per annum to around \$112,500. In contrast an individual with similar drawings from a similar sized superannuation fund will see their total tax increase from just \$20,700 to just under \$28,000. This example highlights the benefits received by those holding such large superannuation balances and why they are fighting hard to overturn this legislation.

Well, that is all for now. I hope today's budget brings you all the needed relief we all seek and that relief is sustainable beyond the term of the current Government.

John Pauley
President

Letter to the Editor of The Mercury

The following letter to the Editor of The Mercury may be of interest to members. It was sent to the Editor on 20 March, 2024 however, it was not published.

Dear Editor,

Today reference has been made to the cost of superannuation payments to retired public servants. While the Superannuation Provision Account was raided by a previous Labor Government, this is not the sole cause of the unfunded liability related to the superannuation entitlements of retired public servants, those nurses, teachers, police officers, and other public servants who have provided needed public services to the Tasmanian community over their working life.

The unfunded liability was consciously created by previous governments of all colours, blue, red and indeed green, who failed to make the required contributions into the Retirement Benefits Fund as and when those contributions fell due. Since, at least the 1970s, all governments of Tasmania have decided not to fund the superannuation entitlements of public servants who were members of RBF. Instead, these governments spent these funds on building the infrastructure essential for Tasmania. These funds helped to support the constructions of schools, hospitals, roads and other essential public infrastructure dotted across Tasmania. They assisted in providing Tasmanians with the public services they have received.

By foregoing the funding of the superannuation entitlements of public servants, governments saved the cost of borrowing to supply these services to Tasmanians. at the time when interest rates were far in excess of where they are, even today. This allowed past governments to deliver a greater level of service to Tasmanians. Our governments made the decision to pay those entitlements when they finally fell due, after public servants retired.

Essentially, past governments have borrowed from their employees and the superannuation payments now being made are the repayments due on those borrowings.

John Pauley
President, Tasmanian Association of State Superannuants

Northern Forum Tuesday 24 September 2024

A most interesting and informative presentation from representatives of the Tasmanian Police Cybercrime Unit was made to members at the conclusion of the TASS Annual General Meeting in March. It was agreed that TASS' northern members would find the topic of benefit and a Forum has been arranged for Tuesday 24 September 2024. Details are:

Venue:	Town Point Function Room Peppers Silos Hotel, 89 – 91 Lindsay Street, Launceston
Time:	1:30 to 4:00pm (including afternoon tea)
Guest Speaker:	Detective Sergeant Paul Turner and Commander Troy Morrisby of the Tasmania Police Cybercrime Unit. Paul and Troy will speak about cyber scams, staying safe online and in particular investment type scams to educate members on things to look out for.
RSVP:	By 5:00pm Thursday 19 September 2024 to Jeneane Thomas, 0408 485 902, or info@tass.org.au

2024 AGM Report

This year's Annual General Meeting of TASS Inc was attended by 34 members.

The following Office Bearers were elected:

President:	John Pauley
Vice President:	Murray Harper
Secretary/Public Officer:	John Chalmers
Treasurer:	Mike Walker
Membership Officer:	Charles Thomas
Super News Editor:	Jeneane Thomas
Executive Members:	Ross Brown, Stephen Graetzer, Christopher Scott, Jean Walker, Jeff Garsed, David Louez

A couple of pictures from the AGM and presentation.



TASMANIAN ASSOCIATION OF STATE SUPERANNUANTS INC
RECEIPTS & PAYMENTS FOR THE PERIOD 1 JANUARY TO 30 APRIL 2024

MYSTATE BANK BALANCE AS AT 1/1/24 **\$ 7,892.24**

INCOME

Member Subscriptions	<u>\$1,430.00</u>
Donations	335.00
Interest (Term Deposit)	2,476.00
TOTAL INCOME	<u>\$4,241.00</u>

LESS EXPENDITURE

Annual General Meeting	216.00
Annual Return	71.20
Email	186.27
Functions	431.00
Miscellaneous	13.25
Office	773.74
Postage	602.84
Super-News	1,665.41
Travel	150.00

TOTAL EXPENDITURE **\$ 4,109.71**

SURPLUS FOR PERIOD **\$ 131.29**

MYSTATE BANK BALANCE AS AT 30/04/24 **\$ 8,023.53**

MYSTATE TERM DEPOSIT AS AT 30/04/24 **\$63,504.68**

TOTAL FUNDS **\$71,528.21**

COMMITTEE REPORT:

This Financial Statement presents fairly the financial position of TASS and the results of its operations for the period ended 30 April 2024.

Michael Walker CPA
Treasurer

John Pauley
President

Meet our new Executive Member, David Louez

David was born in Tasmania in 1941 and attended the Lenah Valley Primary School and New Town Technical High School. He was a member of the Australian Boys Choir and a keen sportsman. He left school in 1959 and joined the Tasmanian Public Service.

Whilst with the Housing Department he attended night school and later the Tasmanian College of Advanced Education. He gained a Bachelor of Business Degree majoring in Management and Accounting. His first executive appointment was at the Treasury Department with subsequent promotions to the Education, Agriculture and Mining Departments. He was appointed Director of Corporate Services at the then Workplace Standards Authority where he became familiar with the system for the payment of Long Service Leave (LSL) to employees in the construction industry. Assisted by the Government he formed TasBuild Limited, a Public Trustee Company which took over the responsibility for administering LSL payments to construction industry workers. He was the inaugural Chief Executive Office and Chairman. He retired from this position in 2002.

David is an avid Freemason and spends a great deal of time assisting members of the community in helping them to manage their private affairs. He holds office in a number of not-for-profit organisations where he provides advice on financial and taxation matters. He tells me he has just completed his last audit.

David recently celebrated his 60th wedding anniversary with his beloved wife Christine and now spends much of his time with her at their beach-side home at Orford.

David Louez

B. Bus. (Acc), FCPA, FTIA, GAICD, CTA (Retired)

Introducing TASS' new Legal Advisor, Will Justo of Wallace, Wilkinson and Webster, Hobart



Key services:

- Conveyancing and Property Development
- Commercial Law
- Leasing
- Wills and Estates
- Banking and Finance

Will was admitted as a Barrister and Solicitor of the Supreme Court of Tasmania in 1995. He joined Wallace Wilkinson & Webster in 1997 and has been a Partner since 2002.

Will practises in all aspects of commercial and contract law, residential and commercial conveyancing and property development, leasing, finance and wills and estates. His clients include many well-known Tasmanian businesses, associations, national financial institutions and individuals.

Will is the current Vice President and a former President of the Law Society of Tasmania and past Chair of the Law Foundation of Tasmania. He has also previously been the Vice President and Treasurer of the Law Society of Tasmania and the former Chair of the Law Society Property and Commercial Law Committee. He continues to be an active member of that Committee.

Will was one of the principal draftsmen of the REIT/Law Society Standard Form of Contract for the sale of a property in Tasmania.

Will is listed in Doyle's Guide to the Australian Legal Market as a leading property lawyer as well as a leading corporate, commercial and business lawyer.

Will was the recipient of the 2023 Law Society of Tasmania Presidents Award for outstanding service and example to the Tasmanian Legal Profession.

Will is a former Officer in the Australian Army Legal Corp (Reserve). Will is the Vice Commodore of the Derwent Sailing Squadron and in his spare time enjoys nothing more than to spend time with his family and sailing on the River Derwent and surrounding areas.

Australian Council of Public Sector Retiree Organisations (ACPSRO) Submission to the Senate Economics Legislation Committee 30 March 2024



I refer to the Treasury Laws Amendment (Better Targeted Superannuation Concessions and Other Measures) Bill 2023 and its consideration by the Senate Economics Legislation Committee.

At the time the Committee was seeking submissions with respect to this Bill, the regulations relating to how the Bill would apply to defined benefit pensions were not available. They were not made available by the Treasury until 15 March 2024. ACPSRO did, however, make an earlier submission to the Government in respect of the Bill, and I attach a copy for the information of the Committee.

Having now studied the proposed regulations, our view is that Defined Benefit (DB) pensions are not in receipt of the several concessions that apply to funds accumulated under the Superannuation Guarantee (SG) arrangements and therefore should not be included within the ambit of the proposed legislation for the following reasons:

SG pensioners can readily escape Div 296 tax by moving some of their SG assets to other places. DB pensioners are unable to access any of the virtual asset ascribed to them in the Div 296 regulations and are unable to take any actions to limit the impact of any Div 296 tax which may be applied;

In retirement mode, the earnings of the first \$1.9m of SG assets are tax exempt for a SG pensioner. They are excluded from the SG pensioner's tax assessment. Every cent of a DB pension contributes to a DB pensioner's tax assessment;

Earnings from SG assets between \$1.9m and \$3.0m will continue to be taxed at only 15%, and will continue not to be added to any personal income tax assessment. A DB pension, on the other hand, which is assessed under the proposed regulations to be derived from a fund valued towards the top of this range, is likely to have the marginal income taxed at the top marginal rate of 45%;

Earnings from SG assets in excess of \$3.0m will attract a Div 296 loading of 15% taking the marginal tax rate to 30%. DB pensioners who are assessed to incur the Div 296 loading of 15% will have that loading applied on top of the 45% marginal rate they will almost certainly be facing already; and

While there are tax exempt elements to some defined benefit income streams, these elements represent the return of a members after tax contributions to the fund during the accumulation phase and do not represent concessional tax arrangements of the kind currently provided by the SG arrangements.

The stated purpose of the Government's Div 296 measures is to ensure the better targeting of superannuation tax concessions.

Given the current tax treatment of DB pensions, it is clear they are not subject to the tax concessions covered by this legislation. Consequently, we consider that DB pensions should not be included within a scheme designed to recover only a small part of the currently open ended tax concessions that apply only to the income derived from the SG system.

ACPSRO has no objections to the Committee publishing this email or our attached submission on its website. Furthermore, we would be willing to provide additional evidence to the Committee that further substantiates the position we have outlined above.

Yours sincerely

John Pauley, President ACPSRO

An article of interest from Spirit Super: Tips to avoid typosquatting scams and fake invoices

It's no secret that online scams are on the rise, with Australians reporting a loss of \$16.2 million to payment redirection scams* in 2023.

Now more than ever, staying alert is key to protecting your finances and personal information from online threats.

In this article, we'll look at ways you can stay safe from two scams that are doing the rounds.

Have you heard of typosquatting?

Also known as URL hijacking, domain impersonation and domain mimicry, typosquatting is a sneaky practice where scammers set up a website with a similar name to a legitimate one. Often the difference between the legitimate name and the scam name is hard to spot. An example is spiritsuper.com.au versus spirtsuper.com.au. Can you spot the difference?

Scammers create these fake URLs to lure users to their website and trick them into sharing personal information.

Here are four simple steps to avoid getting caught out

1. Double check URLs

Before hitting enter, take a close look at the web address. Are there any mistakes or variations from a legitimate URL? Remember, even a single typo could get you in trouble.

2. Check before you click

Avoid clicking on links in unexpected emails, text or chat messages, or on a website you're unfamiliar with. Be especially careful when clicking on links in social media posts. If you're unsure, don't click.

3. Bookmark trusted sites

Save the correct URLs of your frequently visited websites as bookmarks. That way, you'll be less likely to mistype and end up somewhere you don't want to be.

4. Use a trusted search engine

Access websites by searching for them via a trusted search engine, such as Google, and click on the

URL from the results page. Reputable search engines often warn users of potentially harmful websites. This could help you avoid typosquatting scams.

Does that invoice look right?

In April 2024, the ACCC (Australian Competition and Consumer Commission) warned that scammers were impersonating businesses and making fake invoices.

If you receive an invoice via email, it's a good idea to call the business you're dealing with and check that the payment details are correct. Source their phone number independently by going to their official website where you can find their verified contact information.

And if something doesn't feel right after you've shared financial information or transferred money, contact your bank immediately. You can also help others by reporting a scam to [Scamwatch.gov.au/report-a-scam](https://www.scamwatch.gov.au/report-a-scam).

Stay safe

Remember, whenever you go online, your digital safety is essential. By using these tips, you can reduce your risk of falling victim to scams.

Find out more

Exercising caution is the key to staying safe online. [Cyber.gov.au](https://www.cyber.gov.au) has excellent advice for internet users and small business owners. It also has examples of scams and threats so you can learn about suspicious activities and what to look out for.

At Spirit Super, we've made significant investments in technology and processes to combat cybercrime and aid in preventing attacks, but protecting accounts from cybercrime also requires good practice by you. You need to be aware of the risks and potential attacks.

If you notice anything unusual or suspicious on your Spirit Super account, contact us on **1800 005 166**.

[*\[http://www.accc.gov.au/media-release/beware-of-fake-invoices-from-scammers-impersonating-businesses\]\(https://www.accc.gov.au/media-release/beware-of-fake-invoices-from-scammers-impersonating-businesses\)](https://www.accc.gov.au/media-release/beware-of-fake-invoices-from-scammers-impersonating-businesses)

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Encourage friends who are RBF Defined Benefit Superannuants to join TASS

TASS needs to continue to grow its membership if it is to remain a viable and vibrant association. The 50th anniversary of the organisation demonstrates its past viability and we need to continue to be the voice for RBF Defined Benefit Superannuants.

TASS members are encouraged to share their Super News edition with retired friends and former colleagues who are members of RBF or RBF Defined Benefit Superannuants, particularly people who they know are still working who are members of RBF nearing retirement and considering taking a Defined Benefit Pension. Feedback received by TASS indicates the association and Super News has proved to be a valuable resource to members.

Think about it and be pro-active in assisting TASS to remain a viable and valuable association. Refer to the website for application forms under the membership tab. www.tass.org.au

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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Facebook page:	www.facebook.com/TASSTasmania	
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Vice President:	Murray Harper	Ph: 0408 487 527
Secretary & Public Officer:	John Chalmers	Ph: 0409 491 245
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

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