



SUPER-NEWS

No: 1/14

Tasmanian Election Edition

March 2014

ALL POLITICAL PARTIES ENGAGE WITH TASS

In the lead up to the forthcoming State election TASS contacted all the major political parties outlining our case for improved indexation and inviting them to inform us of their position for publication in this edition of *Super-News*.

We have received responses from the three major parties, as well as the Palmer United Party who are standing candidates in the State election for the first time.

Unfortunately, no party has fully committed to our request for similar indexation as applied to the Age pension, but they have all responded in a manner to enable us to further work with them to progress our case after the election result is determined.

The responses from each party are summarised below, and their actual letters are published on pages 7-10 of this newsletter.

Scott Bacon, Minister for Finance responded on behalf of the Labor Party stating the State Actuary had estimated changing the current Consumer Price Index (CPI) indexation method to the greater of increases in CPI, Male Total Average Weekly Earnings (MTAWE), or the Pension Beneficiary Living Cost Index (PBLCI) would increase the RBF defined benefit liability by \$1.44 billion.

The independent actuarial advice obtained by TASS did not come anywhere near this figure, and we believe we can demonstrate that the additional annual cost to the State budget to improve our indexation would only amount to a relatively small percentage.

Liberal Leader Will Hodgman has advised that any decision would need to be considered in the context of a very poor budget situation. However, he has advised that the Liberals would have Treasury model the annual cost increase of any change to indexation to understand the impact on the budget.

We see this as a very positive step as TASS maintains that the annual cost to the budget is nowhere near as much as the impression always given when figures are quoted about the total unfunded liability of the scheme. We've sought to have this figure established and agreed upon for some time.

(TASS commissioned its own actuarial study in 2012 for this purpose. The total unfunded liability amount often referred to is the total expected cost of the scheme over the next 60 years plus, before the scheme exhausts. The figures quoted never take into account the contributions made by superannuants in the past, or those that will be made by existing contributors over the next 60 plus years.)

Tasmanian Greens Leader, Nick McKim acknowledged that CPI indexation is no longer a fair method of maintaining the spending power of pensions and they have committed to pursuing further independent modelling in order for a responsible assessment to be made for a more equitable situation for state superannuants.

The Palmer United Party advised that if Tasmania can afford it, our RBF pensions should be indexed by the Greater of CPI, or Male Total Average Weekly Earnings (MTAWE). They would seek data from RBF and actuarial advice upon which to make decisions. In a policy media release during the recent federal election Clive Palmer stated, "the CPI is by far the lower socio-economic indicator and in the last 20 years has plummeted in comparison with MTAWE."

TASS will continue our campaign with whichever party forms government after the election. It is even more important that we continue to send a clear message that this is a matter of major concern to superannuants. We appreciate your support if you have already contacted the candidates in your electorate as requested by the Executive – but if you haven't done so as yet, there is still time to send further letters or emails to your local candidates.

FROM THE PRESIDENT

This edition of *Super-News*, coming just before the State election, is a very important one. The Executive has focussed very hard on bringing to the fore at this time our “indexation” campaign. (After all, Tasmania only has an election ever four years!)

On the front page of this edition you have the opportunity to read responses to our approaches to the political parties on the indexation issue. Previously, you will have received our letter and a suggested outline with which to approach candidates in your region/electorate.

In a nutshell we are pointing out to them that, in all cases, their Federal counterparts no longer accept the principle of CPI as a fair method of indexation. We are therefore saying that, while accepting Tasmania’s difficult financial situation, local politicians should do likewise, and that after March practical steps towards a way forward must be found.

In all of these political issues it is not only the validity of the argument which is important but also the volume of voters putting it!

Please help if you possibly can.

Murray Harper,
President



TASS EXECUTIVE MEETINGS – MEMBER ACTIVITIES 2014

January	Tuesday 21	1.30 PM	Executive Meeting / Workshop	Hobart
February	Tuesday 18	1.30 PM	Executive Meeting	Hobart
March	Tuesday 18	1.30 PM	Annual General Meeting	Hobart
April	Tuesday 15	1.30 PM	Executive Meeting	Hobart
May	Tuesday 20	1.30 PM	Executive Meeting	Hobart
June	Tuesday 17	11.30 AM	General Meeting / Luncheon	North
July	Tuesday 15	1.30 PM	Executive Meeting	Hobart
August	Tuesday 19	1.30 PM	Executive Meeting	Hobart
September	Tuesday 16	1.30 PM	General Meeting / Forum	Hobart
October	Tuesday 21	1.30 PM	Executive Meeting	Hobart
November	Tuesday 25	12.00 Noon	Pre-Christmas Luncheon	Hobart
December	Tuesday 2	11.30 AM	Pre-Christmas Luncheon	North

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.

TASMANIAN ASSOCIATION of STATE SUPERANNUANTS Inc.
ANNUAL GENERAL MEETING 2014

DATE: Tuesday 18 March 2014
TIME: 1.30 PM - 4.00PM (including afternoon tea)
VENUE: Mathers House
108 Bathurst Street, Hobart (next to Playhouse Theatre)

GUEST SPEAKER:
Tony Elliott, Financial Information Services Officer,
Department of Human Services (Centrelink)
Tony will discuss the following issues:

- Investment accounts for Centrelink recipients
- Allocated pensions
- Effects of changes to RBF investment options

ORDER OF BUSINESS:

- 1 Apologies
- 2 Minutes of the AGM 2013
- 3 President's Report 2013
- 4 Election of Office Bearers:
All positions will be declared vacant.
Nominations for the positions of President, Vice-President, Secretary,
Treasurer, Membership Officer, Newsletter Editor and 6 Executive members can
be made in writing on the form below, or from the floor if attending the meeting.
- 5 Election of Auditor and Legal Advisor
- 6 Other General Business
- 7 Close of AGM

3.30 PM: AFTERNOON TEA

-----Cut along this line-----

NOMINATION FOR THE TASS EXECUTIVE 2014

I _____ nominate for the position of _____

Signed _____
Nominator Nominee

Post this nomination to: The Secretary,
TASS, GPO Box 1650, Hobart Tas. 7001

BY: Friday 14 March 2014 OR deliver at the AGM on Tuesday 18 March 2014.

PRESIDENT'S ANNUAL REPORT 2013

The Tasmanian Association of State Superannuants Inc. has finished this year in a sound financial situation as you can see from our Balance Sheet. This comes despite a "one off" expenditure directed at giving the Association a more "professional" face, particularly with respect to our stationery, *Super-News* and our website.

On the other side of the ledger we are maintaining a solid membership base, due in no small measure to Membership Officer Charles Thomas. We are also fortunate in being the recipient of generous donations from many of our members. Taking care of all financial matters in a most conscientious way is Treasurer John Chalmers, with oversight from Auditor Rex Wilson.

The new Constitution, adopted last year, brought incorporation and some broadening of our role and purposes. In recent days, however, with a State election looming, we have allocated much of our effort to the basic purpose of achieving fairer indexation of our superannuation pensions.

The General Meetings this year, with their inclusion of Scott Donoghue speaking on financial matters as requested by members, were successful. Overall, however, attendances at our meetings in the north of the State were disappointing and I hope we can turn that around in the coming year.

The Executive has completed a sterling year's work. In particular the office bearers and committees have carried out their duties most effectively and I pass my heartfelt thanks to them.

Without in any way detracting from the above, at some point I would be happy to see some "new blood" on the Executive and, in particular, some with XX chromosomes.

Murray Harper,
President

REQUEST FOR FEMALE MEMBERS TO NOMINATE FOR THE TASS EXECUTIVE

A substantial number of TASS members are women, but are not represented on the Executive. We urgently wish to redress this imbalance and appeal for at least two female members to nominate for the 2014 Executive.

We welcome the input of female members to the actions of your Executive.

Please consider this request.

For further information phone the President, Murray Harper (62434326) or other members of the Executive as listed on the back page of *Super-News*.

Treasurer's Report for the Year Ending 31st of December 2013

Mr President and Members

The audited balance sheet for our financial year that ended on 31/12/2013 is set out below:

Again, we are grateful both to those who have continued their memberships of TASS, and for the generous donations of many members.

The main contributors to the size of our Miscellaneous Expenses (Payments) are shown in the Balance Sheet. In the Receipts column, the main contributors to the Miscellaneous entry are: a tax refund and floats for, and monies collected and banked for, the southern and northern Christmas functions.

Tasmanian Association of State Superannuants			
ABN 31 638 808 031			
Balance Sheet: Year Ended 31/12/2013			
Bendigo Bank			
Opening Balance	\$7,593.79	Payments	
Bank Interest	\$0.51	Advertising and Conferences	\$1,707.00
Deposits and Credits	\$21,671.60	Affiliations	\$185.00
Withdrawals and Debits	\$21,109.00	Membership Expenses	\$6,637.29
Closing Balance	\$8,156.39	Miscellaneous (see below)	\$5,320.98
Receipts		Secretarial Expenses	\$653.65
Donations	\$3,789.20	<i>Super-News</i> : Postage	\$2,136.86
Miscellaneous	\$1,430.79	<i>Super-News</i> : Preparation	\$3,931.62
Subscriptions 2013	\$3,898.00	Travelling Expenses	\$550.00
Subscriptions 2014	\$7,085.00	Unpresented Cheques	-\$706.40
Subscriptions 2015+	\$0.00	Website Maintenance	\$1,259.40
Transfers From Investments	\$6,000.00	Total	\$21,675.40
Interest	\$0.51		
Total	\$22,203.50		
		Miscellaneous (Major Items)	
Investments		Hillross Financial	\$880.00
Tas. Perpetual Trustees		Insurance	\$490.28
Opening Balance (Total)	\$69,657.50	Taxation	\$1,263.00
Fixed Term Fund	\$68,641.04	S.E. Tasmania Bushfire Appeal	\$500.00
At Call Fund	\$1,016.46	Country Club: L'ton Forum	\$656.70
Interest: Fixed Term Fund	\$2,848.57	TASS Mail Redirection	\$300.00
Interest: At Call Fund	\$27.40		
Transfers from Bendigo Bank	\$0.00		
Transfers to Bendigo Bank	\$6,000.00	Grand Total (31/12/12)	\$77,251.29
Fixed Term Fund	\$65,489.61	Grand Total (31/12/13)	\$74,689.86
At Call Fund	\$1,043.86	Year-to-Year Difference	-\$2,561.43
Closing Balance (Total)	\$66,533.47		

I now move that this Report and the Balance Sheet for the year to December 31st, 2013 be received and adopted.

John K. Chalmers
John Chalmers
Treasurer

Mr President and Members

I have examined the financial records of TASS and have found them to be kept very systematically. I consider the Treasurer's annual Statement of Receipts and Payments for the year ending 31/12/2013 to provide a true reflection of the financial situation of the Association.

Rex Wilson
Rex Wilson
Honorary Auditor
Date: 31-1-14

MEMBERSHIP OFFICER'S REPORT

The membership of TASS as at 30 November 2013 totals 1,475.

The membership consists of:

519 Couples (multiplied by 2)	= 1,038
Single Superannuants	= 253
Widow / Widower	= 184

The Executive appreciates the support that our members have contributed to TASS during 2103 and we hope that as many members as possible will renew their membership in 2014, in order for us to continue our quest for the equitable indexation of our RBF pensions, and also to support the requests that we receive from members in which we can be of assistance to them.

Charles Thomas
Membership Officer

Minister for Finance
Minister for Tourism
Minister for Hospitality
Minister for Veterans' Affairs



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Ph +61 3 6233 6752 Fax +61 3 6233 2806
Email scott.bacon@parliament.tas.gov.au

Mr Murray Harper
President
Tasmanian Association of State Superannuants
GPO Box 1650
HOBART TAS 7000

Dear Mr Harper

Thank you for your letter to the Premier, Lara Giddings MP, dated 19 January 2014 requesting the Tasmanian Labor Party's policy position on the matter of indexation for RBF superannuants. As this matter falls within my portfolio responsibilities, I respond on behalf of the Labor Party.

The Tasmanian Labor Party remains firmly committed to meeting its retirement benefit obligations relating to current and former public sector employees. I outlined this commitment publically in the Mercury on 11 November 2013 where I stated that while the government is undertaking a strategic review of the RBF to investigate options for the future provision of services, the legislated entitlements of members are outside the scope of the review. At that time I was also able to confirm to you that no work is being done on 'winding back' or 'repealing' entitlements.

In 2013, the Labor Party supported a motion to conduct an actuarial study into the costs of improving Retirement Benefit Fund defined benefit pensions. The study concluded that it would be necessary to increase the assumed pension indexation rate from 2.5 per cent per annum to 4.8 per cent per annum in order to index pensions to the greater of increases in the CPI, Male Total Average Weekly Earnings or the Pensioner and Beneficiary Living Cost index.

The State Actuary estimated that such a revised assumption would represent an increase in the RBF defined benefit liability of \$1.44 billion (or 21.5 per cent) as at 30 June 2012.

There is no doubt that such a significant cost would impact on the Government's capacity to maintain the level of existing services to members of the Tasmanian community. Any additional cost to the taxpayer must be considered in the broader context of the State Budget's financial and policy priorities and cannot presently be justified.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Scott Bacon".

Scott Bacon MP
Minister for Finance

11 FEB 2014



HON WILL HODGMAN MP
LIBERAL LEADER

17 February 2014

Mr Murray Harper
President
Tasmanian Association of State Superannuants Inc.
GPO Box 1650
Hobart TAS 7001

Dear Mr Harper

Thank you for your letter on behalf of the Tasmanian Association of State Superannuants in relation to the method of indexing RBF pensions.

I have pleasure in responding on behalf of all Liberal Members and Candidates.

I understand my colleague, Shadow Treasurer, Peter Gutwein MP, has been in contact with your Association and has communicated the Liberals' intention to have Treasury model the annual cost increase of any change to indexation.

We recognise that some modelling was done by the current Government, however it is our view this did not provide sufficient clarity regarding the annual effect on the budget.

While we can make a commitment to undertake additional modelling to understand the impact of the budget, any decision about changing the indexation method would need to be considered in the context of an extremely poor budget situation after four years of a State Labor-Green Government.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Will Hodgman'.

Will Hodgman MP
Liberal Leader

Parliament House, Hobart Tas 7000
Phone: 03 6212 2191 Fax: 03 6212 2104
will.hodgman@parliament.tas.gov.au
www.willhodgman.com.au



Nick McKim MP
Greens Leader
Member for Franklin
Tasmanian Greens

Friday 21 February 2014

Mr Murray Harper
Tasmanian Association of State Superannuants
GPO Box 1650
HOBART TAS 7001

Dear Mr Harper,

Thank you for your letter received on the 17th of February, seeking the Tasmanian Greens' position on the erosion of RBF pensions due to inflation, in the context of the upcoming state election. I am responding to your correspondence on behalf of all Greens MPs and candidates.

Both the Greens at the state and federal levels have long been on the public record acknowledging that relying on the Consumer Price Index (CPI) indexation is no longer a fair method of maintaining the spending power of pensions.

As you and your membership are aware, the Greens have been the only Party to consistently and actively pursue the issue of the diminishing value of the RBF CPI indexed pension through the State Parliament. Early last year we succeeded in negotiating the Minister for Finance commissioning the Mercer actuarial report into the RBF pension. This was conducted with no consultation with the Greens on its terms of reference. Because that report concentrated on the total unfunded liability of the defined benefit RBF pensions rather than the emerging annual cost in the financial years covered by the State Budget, it failed to provide the information that we had hoped.

The Greens believe the following work needs to occur in order for a responsible assessment to be made by the State of any fairer indexation methodology available to secure an equitable situation for state superannuants:

1. We would require the Department of Treasury and Finance to commission an independent study to model the cost moving to CPI +1%, and CPI + 2% for RBF defined benefit pensions on an annual basis for the next five years.
2. Additionally we would also require that independent study to model the cost of shifting to Male Total Average Weekly Earnings (MTAWE) for RBF defined benefit pensions on an annual basis for the next five years.

Under indexation assumptions of CPI + 1% and CPI +2% the estimated projection could outline the potential cost to government of linking the RBF defined benefits pensions to a range of indices and payment increases. Such projections could demonstrate the impact on future total annual pension payments of changing the Age Pension indexation.

We are aware that the gap between the Age Pension indexation method and the current RBF indexation method is expected to continue to widen in the future.

The Greens will continue to pursue having a rigorous independent modelling process undertaken, as outlined above, to inform any further action to restore the value of the RBF superannuation pension in a fair, equitable and sustainable manner.

Yours sincerely,



Mr Murray Harper
President
Tasmanian Association of State Superannuants Inc.
GPO Box 1650
HOBART TAS 7001
info@tass.org.au

24 February 2014

Dear Mr Harper,

Thank you for your letter of 11 February 2014 and our subsequent meeting regarding the Retirement Benefits Fund Contributory Scheme and its current indexation of pensions. We appreciate the concerns you put to us on behalf of your members and thank you for the opportunity to address them prior to the State election on 15 March 2014.

Since we met, we note that there have been public comments made by the Hon. Greg Hall MLC which have drawn unwelcome attention to this subject:

<http://www.themercury.com.au/news/tasmania/mlc-takes-aim-at-nest-eggs-of-public-servants/story-fnj4f7k1-1226835447053> .

On behalf of the Palmer United Party, Tasmania, we would like to say this to your members:

- Fairness, dignity and reward for effort are our watch words.
- Public sector employees, past and present, are valued members of the Tasmanian community.
- Retired public sector employees deserve peace of mind in their retirement and to benefit from the contributions they put aside during their working years.
- If Tasmania can afford it, State Servant pensions should be indexed by the greater of, movement in the Consumer Price Index or Average Weekly Ordinary Time Earnings.
- We support RBF in its current form and acknowledge its changes and recent successes, and do not support its privatisation or break-up as foreshadowed by the Labor Giddings Government and Liberal Hodgman Opposition.

The situation for your retirees and potential recipients of the defined benefits scheme is understood, and every assurance is made that if we are entrusted by Tasmanians with sufficient representatives in the House of Assembly, we will put this matter high on our legislative agenda. We would seek data from RBF and actuarial advice upon which to base our decision-making, and we would seek to include all pension schemes, not just one. We would not seek to undertake expensive strategic reviews by external providers or delay our decision-making for years.

Tasmania must cut its coat according to its cloth and at this time the debts and liabilities of the State are not clear, so at this stage there can be no other meaningful commitments made other than to say that one of the underlying principles of PUP is to protect the interests of our senior citizens. We demonstrated those values with our policy at the Federal election in relation to the indexation of Commonwealth pensions (policy statement is attached).

Kind regards,

Kevin Morgan, PUP candidate for Braddon and State Leader

TASS PEOPLE

Syd McClymont, APM; OAM is a former distinguished Tasmania Police officer and this is his impressive career of service to the Tasmanian community.

Syd was born in Hobart and educated at Lenah Valley Primary School, New Town High School Hobart and later at Rosny College. He joined Tasmania Police in December 1964 and retired in September 2005 after 41 years service throughout Tasmania - including being the youngest serving commissioned officer in the service to be appointed to the rank of Inspector.

On being promoted to Commander he assumed several senior positions throughout the State and played an active leadership role in a number of major events and disasters including, being Deputy Police Commander of the Port Arthur tragedy and Police Forward Commander of a number of incidents, including the Lachlan siege, the Willow Lane (Launceston) police shootings and other events.

In 1987 he was appointed as the first Tasmania Police Aide-de-Com to the Tasmanian Governor, remaining in that position until 2005, and then in a voluntary capacity until 2013. At the time of his retirement from Tasmania Police he also held the position of Chairman of the Board of Studies at the Australian Institute of Police Management, Manly, NSW and was also a graduate of this college and a past visiting fellow.

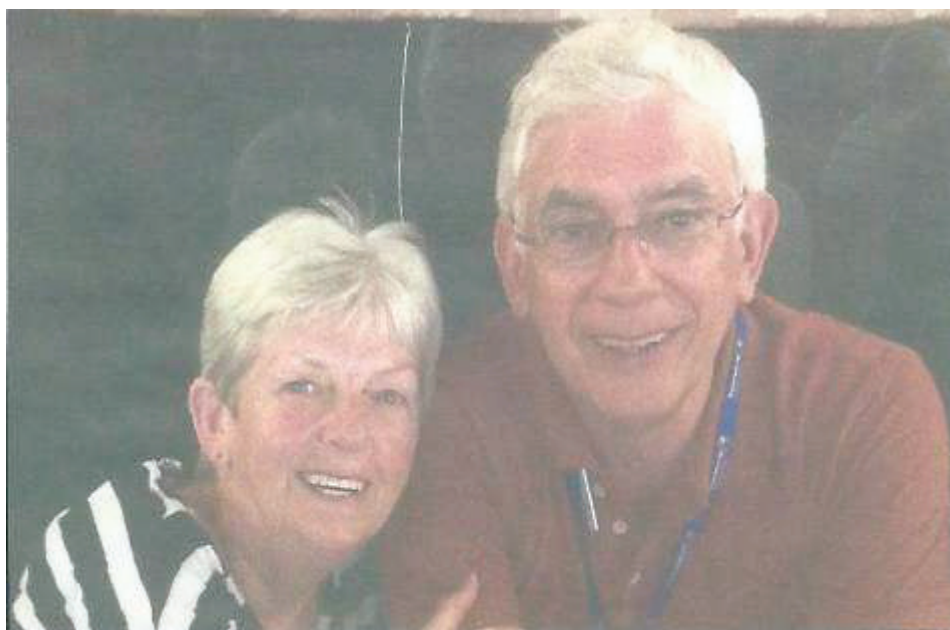
In 1978-79 Syd was awarded a Rotary Foundation Educational Award to study police training and administration in Britain and the USA for a twelve month period. In 1988 he was appointed to lead a Rotary Group Study Exchange Team to the USA. During the 1980's, with two other Rotarians, he founded the Rotary Club of Sorell.

In addition to his police functions, Syd has been involved with the administration of motor sport in Tasmania. He has been involved in the Rotary Club of Howrah as both President, Secretary and District Governor and Training Officer of Rotary District 9830 (Tasmania) and a member of the Royal United Services Institute. He is the current Secretary of the Retired Police Officers Association; a past Board member of the Council on the Ageing (COTA) and currently a member, Secretary and nominated President of the RAAF Association (Hobart Branch).

He holds the National Medal (1979) with three bars (1989/99/09); the Police Commissioners Integrity Medal (1999) with a forty year bar (2005); the Australian Police Medal (1994) and the Centenary Medal for Community Service (2002). He was awarded a Medal of the Order of Australia (OAM) in the 2006 Queens Birthday Honours list, for community service. In 1995 and in 2005 he received State Governors' commendations for services to the State of Tasmania. He has also been awarded two Police Commissioners commendations. In 2010 he was named Citizen of the Year by the City of Clarence and in 2013 he received the SES Service Medal.

Since his retirement, Syd has been appointed as the manager of SES Volunteers Unit for the Greater Hobart area (2005 to 2013); a project officer with the Department of Corrections and the Antarctic Division; project officer with Council of the Ageing (COTA) where he was the author of a booklet entitled, *Safe and Secure Living*. He has also been employed as a part-time lecturer by TAFE in the Legal Procedures Course.

He is married to **Sally** who spent most of her working life for financial institutions; the Commonwealth Bank, Teachers & Police Credit Union, Mystate Financial and other companies in financial management roles. Together they have two daughters; four grandchildren and share a number of interests and hobbies including travelling.



Syd and Sally McClymont

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 (The Department of Human Services)

Provides Centrelink and Medicare services:

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) 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

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