



Tasmanian
Association of
State
Superannuants Inc.



Postal: GPO Box 1650
Hobart, Tasmania 7001
Telephone: 0448 731 845
Email: info@tass.org.au
Website: www.tass.org.au
Facebook: www.facebook.com/TASSTasmania

SUPER-NEWS

No: 3/22

Spring Edition

September 2022

TASS Forum Tuesday 18 October 2022

- Topic:** Residential Aged Care, Supported Accommodation and Retirement Village Living
- Date:** Tuesday 18 October 2022
- Time:** 1.30pm to 3.30pm (including afternoon tea)
- Venue:** Motor Yacht Club of Tasmania (MYCT) 1 Ford Parade, Lindisfarne
(Access from East Derwent Highway, via Lincoln Street and Park Road there is plenty of parking available at the MYCT)
- RSVP:** By 5:00pm Tuesday 11 October 2022 to John Chalmers, 0448 731 845 or info@tass.org.au

If there is anything you wish to know about Residential Aged Care, Retirement Village Living or Supported living make sure you come along to this Forum.

We have a panel of expert presenters including a leading nursing home/retirement village CEO, Government agencies and the Council of the Ageing (COTA) who will be able to cover every aspect of aged care living and answer all your questions from what to expect to how much various options cost and much more.

Or, you may just wish to come along and enjoy a pleasant afternoon tea with your fellow TASS members.

*Make sure you RSVP for afternoon tea catering purposes by **Tuesday 11 October** to John Chalmers, 0448 731 845 or info@tass.org.au.*

We look forward to seeing you on Tuesday 18 October, please mark it on your calendar now!

Save the date for the Northern Forum on Tuesday 15 November. Further details will be circulated as soon as arrangements have been finalised.

Save the date for the Christmas functions: South – Tuesday 6 December 2022

North & North West – Tuesday 13 December 2022

Further details will be circulated in November.

President's Report September 2022

This is a different sort of report this time.

Things have been relatively quiet over winter. We are still awaiting advice from Sen Carol Brown on what progress (if any) has been made on the 10% Cap issue. We know that Andrew Wilkie MP wrote to the Minister for Social Services on this matter, but we are unaware of a response to date.

So, I turned my mind to the future of TASS. As you know from previous membership reports, our membership continues to decline year on year. At the same time, we see a relatively stable Executive committee. Seven of the twelve members have been on the Executive since 2016. From 2020, the core has been ten members. Some might say this is good – a stable core of members in the Executive for six years, and much experience with current members having held various roles during that time.

But, to use the jargon, low 'churn' has some negative aspects as well. I believe that there needs to be a steady turnover of members so we can continue to achieve a good and representative mix of age, gender, skills and experiences. Importantly, we haven't managed to arrest the slide in membership, although we have tried. Fresh members with new ideas may help.

There are some things I would like all of TASS' members to think about over the next six months or so. What can you offer to TASS? Can you commit to serving on the Executive for a year or two? Can you find and sign up new members – particularly those still working or recently retired? Can you offer to write relevant articles for inclusion in Super News? Have you got good contacts, or particular skills that would enhance the Executive. Do you live outside Hobart and think that this would preclude you? Well, we have managed to conduct a large number of our meetings very effectively using Zoom. So, you could be an effective Executive member from Burnie or Scottsdale, or even from interstate! If you would like to find out more, please get in touch.

You recall that we postponed our planned southern Forum about Residential Aged due to lack of numbers. Well, it's back on, and we are planning a northern version as well. Details of the Southern Forum are included in this newsletter and information regarding the Northern Forum will be circulated when finalised. Please put the events in your calendars and be sure to RSVP. If we don't know you are coming and therefore see low planned attendee numbers, we may be forced to postpone or cancel. We look forward to seeing you!

John Minchin
President

An article of interest from TASS' Sponsor, Spirit Super:

"Why switching during a downturn may not be a great idea"

Given the market turbulence across the first half of 2022, depending on your situation it's natural to feel concerned about your super. You might even be considering shifting your super to more defensive investment options.

However, switching out of risky assets after a significant market downturn can do more harm than good to your super — especially over the long term.

Still proudly Tasmanian

spiritsuper.com.au

Consider the PDS and TMD available at spiritsuper.com.au/pds before making a decision.
Issuer is Motor Trades Association of Australia Pty Ltd (AFSL 238 718, ABN 14 008 650 628).

Spirit Super
An Industry SuperFund

Raymond
Tasmanian member

Here's why switching your investments during a downturn may not always be the best move.

Market timing is tough

Market timing, where investors switch between asset classes based on market predictions, is notoriously difficult. So much so that even professional fund managers don't have a strong track record of constant out-performance.

That's because forecasting and executing market timing with success is complex. It requires investors to identify correct signals to both enter and exit the market, execute the transaction efficiently while ensuring costs and taxes are lower than the expected benefit and determine the appropriate allocation size.

A 2021 study by researchers at Duke University in the US showed that the investment funds that try to dynamically increase or decrease risky asset allocations have historically underperformed funds with an equivalent static strategic asset allocation by between 1.77% to 5.15% per year¹.

The fear of missing out is real

Even when investors get their market timing calls right most of the time, gains are likely to be marginal and being out of the market for just a few days can be costly.

A bit of history may help to demonstrate this.

Between January 1928 and June 2022, the US share market was open for trading for 23,437 days. If you invested \$10,000 in the US market at the start of 1928 and left that investment untouched until 30 June 2022, it would have grown to a value of \$2,131,410.

If the same \$10,000 was invested in 1928, but you took your money out of the market for just the best 25 out of those 23,437 days, your balance would only be \$209,543 today².

You would have lost \$1,921,867 by only missing 25 days!

Figure 1: Current Value of \$10,000 Invested in 1928



It also helps to look at when the best 25 days on the share market have occurred — almost exclusively during significant economic downturns where investor sentiment was low. But occasional days of good news were accompanied by large jumps in markets.

Most of those days (19 out of 25) occurred during the so-called Great Depression between 1929 and 1939.

Two of the best days in share market history were also during the Global Financial Crisis (13 October and 28 October 2008), while a further two occurred during the peak of concerns about the COVID-19 pandemic (13 and 24 March 2020).

Each of these were likely periods when investors were actively considering a switch out of risky asset classes.

Outcomes from switching during the COVID-19 pandemic

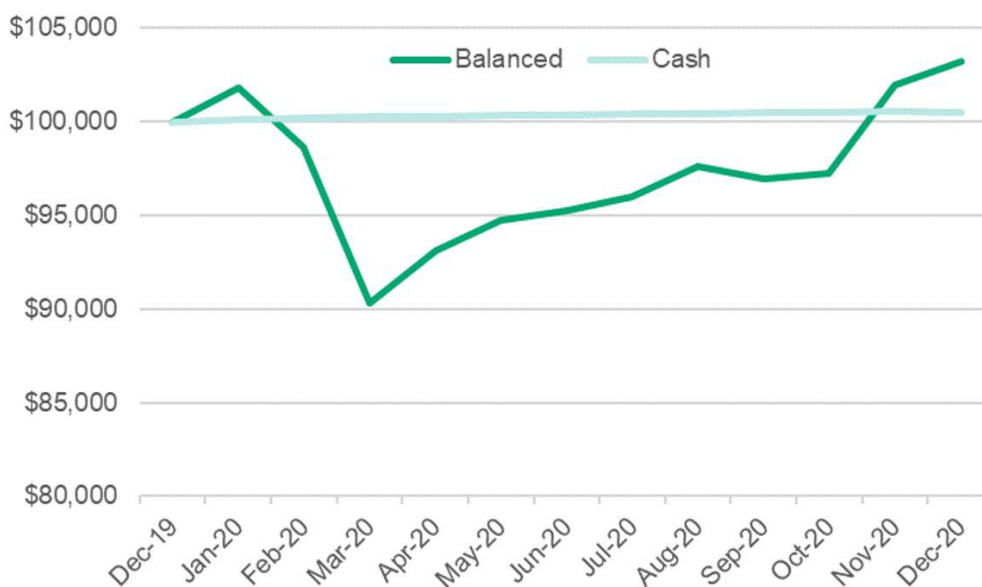
The impact of COVID-19 also shows us the risks involved in switching investment options at the wrong time.

Assuming a member had perfect foresight as to how the virus would affect the economy, she may have switched from the Balanced (MySuper) option to the Cash Option at the beginning of 2020.

The figure below shows the relative returns of a member in the Balanced (MySuper) option and the Cash option across 2020.

While the Balanced (MySuper) option suffered material drawdowns across February and March 2020 that the Cash option didn't, it still ended the calendar year more favourable.

Figure 2: Balanced (MySuper) option vs Cash option across 2020



While market timing has historically proven difficult, economic theory suggests diversifying across asset classes across a long investment horizon is the most effective way to weather downturns.

For example, periods of elevated inflation may create headwinds for the fixed interest asset class while benefiting Infrastructure assets. A diversified portfolio that includes exposure to both asset classes should smooth out performance across periods of high and low inflation.

Super is a long-term investment and should always be evaluated accordingly. Across the 10 years to the end of June 2022, our Balanced (MySuper) Option returned 7.91% per annum to accumulation members and our Balanced option returned 8.87% per annum to pension members.³

Rather than trying to time the market, we recommend you consider your personal financial situation and seek professional advice when considering which investment option is appropriate for you.

Our Superannuation Advisers are a great place to start and offer helpful, straightforward advice to ensure your super is working for your situation.

To get in touch or book an appointment, call us on [1800 005 166](tel:1800005166) or submit an [online enquiry](#). We're here to help.

Advice about your super comes at no additional cost – it's part of the Spirit Super service.

Disclaimer:

Advice on Spirit Super is provided by Quadrant First Pty Ltd (ABN 78 102 167 877, AFSL 284443) and issuer is Motor Trades Association of Australia Superannuation Fund Pty Ltd (ABN 14 008 650 628, AFSL 238718), the trustee of Spirit Super (ABN 74 559 365 913). Consider the PDS and TMD at spiritsuper.com.au/pds before making a decision. A copy of the Financial services guide for Spirit Super Advice is available at spiritsuper.com.au/financial-services-guide.

Past performance isn't a reliable indicator of future performance. The value of investments can rise or fall, and investment returns can be positive or negative.

¹ McCarthy, J., and Tower, E. 2021. *Static indexing beats tactical asset allocation. The Journal of Beta Investment Strategies. 11-12 (4-1), 41-52.*

² *Past performance isn't a reliable indicator of future returns*

³ *Past performance isn't a reliable indicator of future returns.*

Surviving Spouse Issues

TASS has received anecdotal reports that some RBF 'surviving spouses' have experienced issues or delays during the period after the loss of their RBF defined benefit pensioner spouse.

To date, we haven't had any reports from TASS members, however TASS would be interested in hearing from any members who have experienced any problems related to this matter including:

- Difficulty in contacting or liaising with RBF
- Undue delay in paying the surviving spouse pension
- Other issues

Please contact the Secretary on 0448 731 845 or via secretary@tass.org.au

Surviving Spouse – changes to the regulations 2021

A timely reminder for TASS members.

If the RBF is satisfied with its initial inquires on the passing of the Superannuant that there is a surviving spouse, they are reluctant to immediately cease the pension while the proper inquiries are made to clearly confirm the surviving spouse's details. In such cases under the current arrangement the RBF will continue to pay a reduced pension to the Superannuant's account but only if ***"the account is in the joint names of the superannuant and their spouse with EITHER able to sign"*** (NOT both required to sign).

Russel Investments

We recently had a request from a non-member about Russell Investments. Who they are and what do they have to do with RBF?

Russell Investments website states “We are a leading global investment solutions partner for institutional investors, dedicated to improving people’s financial security in a variety of ways”

As stated in the 2020-21 Superannuation Commission Annual Report, the Superannuation Commission has implemented a consultant model with respect to the management of its investments and has appointed Russell Investment Management Ltd (Russell Investments) to perform this role.

As at 30 June 2021, the majority of assets held on behalf of the superannuation schemes for which the Commission is Trustee, were invested in Russell Investments’ products.

Source - Annual Report 2020-21, The Superannuation Commission, Trustee of the Retirement Benefits Fund.

Super News – do you read it electronically or receive a hard copy?

There are currently over 120 TASS members with an email address, who have opted to receive hard copies of newsletters and special publications mailed out to them.

Please let us know if you would prefer to receive all newsletters and notifications from TASS sent electronically to your email address. This would be a considerable saving in printing and postage costs for TASS. It is also much quicker for us to make contact with members should the need arise.

Our database also indicates there are over 160 members without an email address. Do we have yours and are you prepared to receive all correspondence electronically? If so, please note the process of how to let us know in the dot points at the end of this notice.

To change from hard copy to electronic copy for newsletters and special publications, you can either:

- send an email to info@tass.org.au with your name and current email address, noting the change to electronic copies; **OR**
- text Charles Thomas, Membership Officer 0422 414 861 with your name and email address, requesting the change to electronic copies.

Charles Thomas
Membership Officer

Australian Cricket Society Tasmania

The Tasmania branch of the Aust Cricket Society has some 250 members across the state.

The Society conducts regular functions at Blundstone Arena, often with interstate or overseas speakers, during first class matches. There is also an annual dinner and golf day for members and friends.

Those still of the persuasion can play with the *Last Over XI* or our associate's team, the *Thylacines XI*.

Our monthly *Break o' Day* newsletter provides articles about current cricket and past glories.

The Society is a significant supporter of and manages the Tasmanian Cricket Museum and Library at Blundstone Arena.

In 2003 the Society donated a painting celebrating the One Day International, Australia v England, played at Bellerive Oval. More recently the Society has sponsored the Ricky Ponting Corner in the Museum, Cricket Tasmania's 150th anniversary painting as well as the pre Shield Tasmanian Cricketers display in the Cricket Tasmania Members forecourt. In 2018 the Society commissioned an oil painting of George Bailey. An annual Emerging Young Tasmanian Cricketer award is part of the Society's link with the development of the State's cricket youth programmes.

The Annual Membership Fee is \$30 which includes family members.

Via TASS

ACS TASMANIA MEMBERSHIP APPLICATION

(1 April 2022 to 31 March 2023)

Surname:Given name(s).....

Family member names:

Address:.....P/Code.....

Phone:Email:

Signature: Date:/...../.....

EFT or direct deposit to ACS Tasmania – CBA; BSB 067000; Account No 0091 4525.

Or send with payment to the Treasurer, Ms Vicki Harrison, 16/33A Clydesdale Ave., Glenorchy 7010.

Or leave at the Cricket Tasmania Office, Blundstone Arena – Attn: Mike Gandy.

Useful contacts for TASS Members:

Retirement Benefits Fund (RBF)

All enquiries
Website

1800-622-631
www.rbf.com.au

Australian Taxation Office (ATO)

Personal taxation information
Website

13 28 61
www.ato.gov.au

Centrelink

(Access Centrelink and Medicare services)
Older Australians and Financial Information Services
Disability, Sickness and Carers
Website

132 300
132 717
www.humanservices.gov.au

TASS Executive – Administration:

TASS Postal Address:

GPO BOX 1650, Hobart, TAS 7001

E-mail:

info@tass.org.au

Phone:

0448 731 845

Website:

www.tass.org.au

Facebook page:

www.facebook.com/TASSTasmania

President:

John Minchin Ph: 6247-1115/0418 316 034

Vice President

John Pauley Ph: 0415 287 115

Secretary & Public Officer:

John Chalmers Ph: 6249-1240/0448 731 845

Treasurer

Mike Walker Ph: 0428 376 741

Membership Officer:

Charles Thomas Ph: 0422 414 861

Super-News Editor:

Jeneane Thomas Ph: 0408 485 902

Northern Tasmania Representative:

Vacant

North-West Tasmania Representative:

Donald Wells Ph: 6432-3641

Change of 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

DISCLAIMER

Super-News is published by the TASMANIAN ASSOCIATION of STATE SUPERANNUANTS Inc. ("the ASSOCIATION"). This publication is provided by the Association in good faith to collect and provide information which may be of interest to Retirement Benefits Fund (RBF) pensioners and members of the RBF defined benefits scheme.

The Association is not affiliated with the RBF or any other superannuation fund in any way and is not responsible for the products and services, views, or actions of the RBF or any other superannuation fund.

The information provided in this newsletter is of a general nature and does not take into account your personal investment objectives, financial situation, or specific needs. The information provided in this newsletter is not intended to be, and should not be construed as providing, any financial, accounting, legal, or professional advice. Any person seeking to rely on the information provided in this newsletter should first contact the RBF to ask for confirmation of details and entitlements, as well as seek advice from a licensed financial advisor, accountant, lawyer, or other professional advisor as appropriate.

While the Association attempts to keep the newsletter accurate and up to date, no warranty is given that the information provided is accurate and up to date. Except where liability cannot be excluded by law, the Association does not accept liability for any loss or damage arising in any way, including loss or damage caused by the negligence of the Association or its servants or agents, from reliance of the information provided in this newsletter.