

# THE SUPERANNUANT

Newsletter of the South Australian Government Superannuated Employees Association Inc  
Trading as S.A. Superannuants. *Established 1927*

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## From the President

We are at a critical stage of our disagreement with the State Government over one section of the "Statutes Amendment and Repeal (Superannuation) Bill 2012" now in the Parliament. This section directly affects former ETSA employees in that it fails to correct a mistake made at the time ETSA was privatized. It is our view, that in the changeover, gains were retained by the employer instead of being distributed to the employees. We have not been able to persuade Treasury or the Minister to investigate this matter which may represent a longer term threat to our own pensions. However, we are having more success with other MPs. We have had recent and very positive meetings with Iain Evans, State Shadow Treasurer, and Tony Zappia from the Commonwealth Parliament.

*Peter Fleming*

### Speaker Program for General Meetings June-October, 2012

(Speakers and topics subject to change without notice)

**Pilgrim Centre, 12 Flinders Street, Adelaide.**  
Meetings commence 1 p.m.

**June 25: Ms Maxine Cape:** Aged rights

**July 30: Sergeant Jane Tan: S.A. Police –**  
Home and personal security.

**August 27: Glen Woodward:** The Royal Mall:  
King William Street and the Town Hall.

**September 24: Andy Meikle:** Great Southern  
Rail.

**October 29:** this speaker will be from the National Broadband Network. He has given me a set of internet references. If you want a copy email me at [peterfleming8@bigpond.com](mailto:peterfleming8@bigpond.com) or give me your name at the next meeting and I will send you a copy by mail. *Peter Fleming*

*Disclaimer: Readers should not act, or refrain from acting, solely on the basis of information in this newsletter, but should consult the relevant authorities and advisers.*

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## Annual General Meeting Report

**President's Report:** Peter outlined the main activities pursued during the year which were:

- Lobbying of Federal MPs on means testing for age pension and the Commonwealth Seniors Health Card.
- Discussions with Super SA and the Superannuation Federation about the desirability, or otherwise, of a move towards Trustee status for the Super SA Board
- The indexation campaign being conducted by the *Australian Council of Public Sector Retiree Organisations*

- Possible transfer of *Electricity Industry Superannuation Scheme* pensions to Super SA.

Peter expressed his appreciation of the efforts made by Committee members during the year and gave a special mention to Max Jahn who has accepted the demanding job of Membership Officer in his first year on the Committee. Peter also thanked Claire Withers, who is leaving the Committee, for her contribution made over several years.

**Treasurer's report:** copies of the audited financial statement were circulated at the meeting and had previously been posted on the Association website (the full statement is presented on page 3).

**Election of Officers and Committee members.**

Neil Mason served as Returning Officer and the following people were elected for 2012.

**2012 Executive Committee**

*President:* Peter Fleming

*Vice-President:* Clive Brooks

*Secretary:* Vic Potticary

*Assistant Secretary:* Christine Venning

*Treasurer:* Michael Evans

*Membership:* Max Jahn

*Speaker Coordinator:* Vacant

*Committee Members:* Arnulf Anders,

Ray Hickman, four vacancies

*Observers:* Eileen Pritchard, Ian Beckingham

**Motion on notice:** This had been published in *The Superannuant*. Max Jahn explained the intention of the motion which was to allow for member's partners to become members for a fee of \$5 p.a.

The motion was then proposed by Clive Brooks and seconded by Max Jahn. It was carried.

**The Guest Speaker** was the South Australian Lieutenant Governor, Mr Hieu Van Le AO. He gave an account of his experiences as one of the first "boat people" to come to Australia after the conclusion of the Vietnam war. He and his companions faced, and overcame, many difficulties on the voyage.

One morning when the boat was nearing Australia's northern coastline there was a mist on the sea. Those on board heard the sound of a motor approaching and prepared themselves for the arrival of a police or military vessel and a treatment similar to that which they had experienced before.

Then out of the mist emerged two men in a "tinny". It changed course and came over to them. The two men were standing at the front of the "tinny" drinking something from cans and there were fishing rods at the rear with a couple of eskies amidships. As this craft drew up alongside the boat people one of the two fellows shouted the immortal words "G'day mate, welcome to Australia" and they zoomed off to their fishing spot. Things were different then.

Mr Le's presentation was very well received.

*Ray Hickman*

**From the Membership Officer**

Membership lists are slowly being verified. Two Annual Members have pointed out that they are more ancient than the greatest age as mentioned in the last newsletter. It is very helpful to hear from members about phone numbers, ages, and email addresses. Membership data banks should reflect the ability of an organisation to communicate with its members.

The new membership category "Partner Members" has been created at the last Annual General Meeting. It is for partners of existing members who will continue to receive pensions after the demise of their full member partners. It is an attempt to better reflect the number of people who receive these government superannuation pensions, and strengthen our membership base.

Partner Members have full voting rights and can hold any executive or committee position, but will not receive a separate newsletter. Partner Membership will cost \$5 per year, renewable every year, whether the partner's full membership is annual or life. Applications for Partner Membership can be found on the back page.

I hope many partners avail themselves of the opportunity to swell our numbers and take a greater part in our affairs.

The Association is grateful for a donation of \$130 from Mrs W. Dobner. The new members who have joined since the last issue of *The Superannuant* was published are:

Junesse Cramond, Ms C. George, Mr R. Hocking, Jane Osborne, Mr A. Spagnoletti, Dr R. Sharp, Elaine Zaborowski, Mr M. Wohlmann, Violeta Thomson.

*Max Jahn*

<b>S.A. Superannuants Audited Financial Statement for the year ending 31/12/2011</b>				
		2009	2010	2011
	Balance brought forward	<b>\$6772.2</b>	<b>\$8290.28</b>	<b>\$6816.29</b>
<b>Income</b>				
	Subscriptions . . . . .	13224.00	14925.00	16984.20
	Raffle Proceeds (net) . . . . .	180.00	47.30	110.45
	Tax Refunded . . . . .	986.40		
	Donations . . . . .	15.00	135.00	
	Sundries . . . . .		7.80	325.39
	Bank Interest . . . . .	39.20	56.87	103.21
	Interest on Investments . . . . .	5525.08	4470.45	5677.79
	Investments Redeemed . . . . .	0.00	0.00	59683.91
	<b>Total</b>	<b>\$19969.68</b>	<b>\$19642.42</b>	<b>\$82884.95</b>
<b>Expenditure</b>				
	Hall Hire . . . . .	1166.01	1116.55	1043.66
	Newsletters (Print/Post . . . . .	6038.25	6217.70	5622.67
	Photocopies/Stationery . . . . .	996.82	976.89	870.19
	Executive Expenses . . . . .	2299.19	2283.42	3447.58
	Fees . . . . .	735.75	776.00	986.00
	Taxation. . . . .	1605.00	3543.60	985.00
	Insurance . . . . .	742.00	742.00	741.00
	Sundries/Donations/Web . . . . .	1117.60	989.80	4138.20
	Interest Reinvested . . . . .	3751.00	4470.45	5677.79
	New Investments . . . . .	0.00	0.00	59683.91
	<b>Total</b>	<b>\$18451.62</b>	<b>\$21116.41</b>	<b>\$83196.00</b>
	<b>Cashbook Balance C/F</b>	<b>\$8290.28</b>	<b>\$6816.29</b>	<b>\$6505.24</b>
All monies received during the year were banked, and all accounts paid were passed for payment at the respective committee meeting during the year.				
<b>Investment Accounts</b>				
Investment Account	Value 2009	Value 2010	Value 2011	Maturity Date
CommInvest Term Deposit	22380.45			03/07/2012
CommInvest Term Deposit		23588.28		03/07/2012
CommInvest Term Deposit			24862.05	03/07/2012
Argo Shares (2908)	19408.50			Value at 31/12/09
Argo Shares (3030)		19149.60		Value at 31/12/10
Argo Shares (3172)			16050.32	Value at 30/12/11
BankSA Term Deposit	28226.36			31/01/2010
BankSA Term Deposit		29692.78		30/06/2011
BankSA Term Deposit			31474.35	30/06/2012
CBA Term Deposit	28929.08			14/07/2009
CBA Term Deposit		29991.13		14/06/2010
CBA Term Deposit			31817.59	14/02/2012
<b>TOTALS</b>	<b>\$98944.39</b>	<b>\$102421.79</b>	<b>\$104204.31</b>	
Cash on Hand	7.20	0.00	0.00	
Cash in Cashbook	8290.28	6816.29	6505.24	
Sub Totals	8297.48	6816.29	6505.24	
<b>OVERALL TOTALS</b>	<b>\$107241.87</b>	<b>\$109238.08</b>	<b>\$110709.55</b>	

## Unfunded Liability

The Shadow Treasurer, Hon Iain Evans wrote on 6 May, to the letters section of *The Sunday Mail* to say:

*“Under the Labor Government in this state, the unfunded super for the public service has grown from \$3.2 billion in 2000-01 to \$10.6 billion in 2011-12 according to the mid-year budget review released by the Government last December. Taxpayers pay more than \$400 million a year super interest to try to have the scheme fully funded by 2034. In 2011-12, the super interest payment stands at \$407 million*

*This \$407 million is over and above the statutory payments made into the scheme for the public servants by the government as their employer.*

*Every South Australian household is carrying the liability of about \$16,000 for the unfunded super liability of the state public service.”*

There is the implication here that, had a Liberal Government been in power during the last 10 years, the unfunded liability would be less. This is not likely because the Labor Government has maintained the funding program established by the previous Liberal government.

The proceeds from the asset sales of the 1990s, over which the Liberals presided, could have been used to extinguish unfunded liability but this was not done.

In the writer's opinion, if the current State Government, or a future government of either type, was given \$10.6 billion, to do with what it wanted to do, little, if any, of the money would be used to bring forward the date of full funding for superannuation liabilities. The money would be used for other purposes.

Unfunded superannuation liability is the debt of lowest priority for all governments. The reason is that the liability is largely associated with pension schemes. It is a debt owed to the members of the schemes and unlike most debts it is the borrower, not the lender, who determines how, and when, it is to be repaid. No government is going to extinguish such a debt any quicker than it has to.

Commonwealth Governments (Labor and Coalition) have claimed to be funding

Commonwealth superannuation liability via the Future Fund. But if this is the case why is the money not under the control of the *Commonwealth Superannuation Corporation* which receives and invests the contributions made by Commonwealth public servants?

The answer to this rhetorical question is that money held in a genuine superannuation fund can only be used to meet the fund's expenses and must be used in the best interests of members. The *Commonwealth Superannuation Corporation* is a genuine superannuation fund but the Future Fund is simply a convenient place for the Commonwealth Government to hold assets that might come in handy for a multitude of future purposes. RH

## Federal Budget 2012

This budget had even less in it affecting people who are fully retired than did the 2011 budget.

- For retirees who still pay tax, bank interest income will continue to be fully taxable. There had been an intention to allow all taxpayers a 50% discount on the first \$1,000 of interest income beginning in 2012/13. This has been abandoned.
- The *Mature Age Worker Tax Offset* is to be phased out. This is worth up to \$500 for people aged over 55 years having employment income up to \$53,000. Only taxpayers who were aged 55 or older at the end of the 2011-12 tax year will be able to go on claiming it.
- The intention to allow concessional-tax superannuation contributions up to \$50,000 p.a. for people with account balances less than \$500,000 is to be delayed until 2014. In South Australia (and Western Australia) annual limits on concessional-tax contributions (contributions caps) do not apply to public sector superannuation schemes. Lifetime caps apply instead.
- For people with taxable incomes above \$300,000 p.a. the contributions tax payable on concessional-tax contributions will be raised from 15% to 30% from 1 July 2012. This is another Federal Government arrangement that is unlikely to be effective in South Australia as far as the public sector schemes are concerned.

RH

## How safe is our 10% tax offset?

The last two budgets have seen tax offsets being reduced or phased out. For most retired people this is of little consequence because their superannuation is not taxable income after age 60. But our pensions continue to be taxable income and tax offsets are still valuable for many of us. Without the 10% tax offset many of us would either pay a lot more tax than now or begin to pay tax again as was the case before the offset was introduced in 2007.

Members occasionally ask if the Federal Government is likely to achieve savings by removing or phasing out the 10% tax offset. In the writer's opinion this is unlikely except if things get bad enough to force the Government to reintroduce taxation on the superannuation income that has been tax-free since 2007.

The two measures- making pensions from taxed sources tax free and allowing a 10% tax offset on pensions from untaxed-sources, were introduced together in 2007 and as long as one stays so will the other. In the lobbying the Association does with Federal MPs and Senators we make clear that tax offsets, and particularly the 10% tax offset, are important to people receiving untaxed-source pensions like Super SA pensions. *RH*

## New Minister responsible for Super

The Minister now responsible for superannuation is the Hon Michael O'Brien MP, Minister for Finance and Minister for the Public Sector.

The State Treasurer has been the Minister responsible for superannuation going back at least to the Hon Rob Lucas MLC who was Treasurer in the last Liberal state government. However, this new arrangement is similar to what applies for Commonwealth superannuation. *RH*

## Electricity Industry Super

Association representatives have met with the new superannuation minister Hon Michael O'Brien MP to discuss the proposed transfer of *Electricity Industry Superannuation Scheme* (EISS) taxed-source pensions to Super SA.

Also present at the meeting were:

- Mr Richard Vear, a member of the EISS pension division, who has been active in attempts to get the EISS Board to take some responsibility for the method it is using to calculate its taxed-source pensions.
- A representative of EISS
- A government superannuation adviser

Discussion was mainly about what the Government is trying to achieve by transferring EISS taxed-source pensions to Super SA.

Mr O'Brien explained that the Government is responding to concerns expressed by "a few" EISS members about the security of their pensions in the long term.

Apparently there is a possibility of an existing electricity employer leaving the industry and this raises the question of who will pay costs for pensions after the employer has gone. EISS members have been told by the EISS Board that the former Treasurer, Kevin Foley, had provided a government guarantee to cover this possibility.

It is not clear which, out of the EISS Board and the Department of Treasury and Finance, is the main party driving these changes. The Association has a letter from Mr O'Brien in which he says that it was the EISS Board that instigated the legislative changes that are being proposed. But the EISS representative said, in Mr O'Brien's presence, that the EISS Board had made no commitment to use the legislation even if it was passed.

It was put to Mr O'Brien that the EISS Board and the Government should have agreed on what legislative changes each was going to be happy with before legislation was brought forward.

The Government's superannuation adviser said that he thought this would be a strange way of proceeding because it is usual for legislation to be passed first and then decisions made about whether or not to use it and how to use it. Knowing that those advising the Government think this way explains quite a lot.

Reference was made to the Association's belief that the method used to calculate EISS taxed-source pensions does not comply with the *Electricity Corporations Act 1994* because it is a method designed to reduce employer costs for the pensions by passing to employers a tax advantage that they are not entitled to receive and which should be passed to members.

Although this issue had been signalled as one that we wished to raise at the meeting Mr O'Brien did not want to discuss it saying that it was a 'twelve year issue' that was separate from the transfer of the pensions to Super SA.

The Bill dealing with the transfer of EISS taxed-source pensions to Super SA was introduced into State Parliament on 16 May. Before this the

Association e-mailed all members of parliament to state its concerns.

Our aim is to get an independent inquiry into EISS taxed-source pensions. Association representatives and Mr Richard Vear, have met with the Opposition Shadow Treasurer the Hon Iain Evans MP.

He indicated that the Opposition would support this request provided that we were prepared to accept the findings of the inquiry. This undertaking was given. *R.H.*

## Stop Press!

The Government has agreed to an independent inquiry into EISS taxed-source pensions.

This followed the Shadow Treasurer, the Hon Iain Evans MP, member for Davenport, making a speech in which he read into Hansard an account of EISS taxed-source pensions written by S.A. Superannuants (Clive Brooks and Ray Hickman) and Mr Richard Vear, an EISS member.

Following the speech the Government minister responsible for superannuation, the Hon Michael O'Brien MP, member for Napier, announced the review as follows:

*I will ensure that an independent review is undertaken and I will determine the terms of reference for that review on the basis of the matters raised by the member for Davenport, both in his letters and in the course of debate this morning.*

Mr Evans then said:

*I thank the minister for committing to that because it will give clarity to the issue one way or the other in finality. I am sure that the petitioners would want me to ask whether you will consult them about the appointment of the reviewer and the terms of reference prior to the reviewer being appointed and the terms of reference being set.*

With Mr O'Brien replying:

*I certainly will, member for Davenport, because I think we would both like this matter resolved.*

The full account of the argument put before the Parliament to bring this about can be seen on the Parliamentary website at [www.parliament.sa.gov.au](http://www.parliament.sa.gov.au) *RH*

## **Freebies Discounts and Rebates: Part 1**

I hope you have a State Seniors Card. No? Well help is at hand! At the end of this article there is information about how to get one.

But you have one. Are you using it to your advantage?

### **Council rates.**

You may be able to receive a state government concession of up to \$100 per year. You may be eligible if you own or part-own your home and it is your principal place of residence on the date that the council rates account is payable for that financial year **and** you are responsible for paying the rates on that property.

### **Emergency services Levy**

You may be eligible to receive a state government concession of up to \$44 per year charged against your principal place of residence.

### **How to get a Seniors Card**

Eligibility criteria:

- You are 60 years of age or over
- You are a permanent resident of South Australia
- You do not work more than 20 hours per week in paid employment

You can collect an application form from the post office or complete the online application form at [www.sa.gov.au/seniorscard](http://www.sa.gov.au/seniorscard).

You will receive the card within a fortnight along with a directory of businesses that offer a seniors card discount. By the way, always ask if the business offers a discount. Often they do.

The card can be used to get free public transport between 9.01am and 3pm on weekdays and all day on weekends and public holidays. At other times there is about a 50% discount on the fares. Our State seniors card can be used interstate.

**Source:** SA Department of Families and Communities *Christine Venning*

## **Letter from a member**

### **Three pillar retirement policy**

Australia has a three-pillar approach to the provision of retirement incomes, the three pillars comprising a means tested age pension and associated social security arrangements, compulsory superannuation savings through the superannuation guarantee arrangements, and voluntary superannuation and other private savings.[Quoted by Bill Shorten] *(Cont. page 7)*

(From page 6)

This is very convenient for the government to keep the age pensioners which depend to some degree on the age pension as poor as possible by the means testing of the pension, while the voluntary and private savings provide the retirees in this group with huge tax benefits.

When the Howard government introduced the tax-free super for the over sixties, if the income came from a taxed fund, this gave people on high incomes huge tax savings possibilities.

According to OECD, Australian pensioners are the second poorest, after Ireland, among the OECD countries, and this is due to the means testing of the age pension. I have written numerous letters to politicians of all persuasions, complaining about the unfair treatment of the age pensioners, who, like myself, have been robbed of a decent standard of living in retirement. It would take too much space in the Newsletter, to place some letters that I wrote to Bill Shorten and others, but they can be accessed on my website "hawilspoint" or simply on Google by typing in "The great Australian Super Fraud".

Mr.W.Hajszan

*Editors' note:* Willi Hajszan is an advocate of a universal age pension. This is not supported by the Executive Committee but interested members can find out more about Willi's arguments by referring to the sources he has provided.

### A Volunteer Says . . .

It took a very serious illness for me to become involved in my charity of choice—**The Royal Adelaide Hospital Research Fund**. I underwent numerous tests with no results and finally saw a doctor in the Royal Adelaide Hospital who decided to try an operation which was successful.

Following my discharge, I received a letter from the Research Fund asking if I had any time to spare for volunteering duties. It's now 23 years since I received that letter. I spend two days a week in the Fund's office doing a myriad of duties, nothing dull I can assure you. Among my duties I check donation slips to make sure no special requests have been overlooked, assist with the mail, file and archive and occasionally assemble gift bags for special events. Sometimes I feel like a female Sherlock Holmes when trying to decipher surnames. In other words I am a general factotum.

The RAH Research Fund is the official fund-raising office of the Royal Adelaide Hospital and receives donations for all areas of research within

the hospital, the Hanson Institute Centre for Cancer Research and Hampstead Rehabilitation Centre. It is located in the Sheridan Building (previously the old kiosk) at the front of the hospital. All donations are allocated to the area of research as specified by the donor e.g. cancer, heart, diabetes, etc. (Cont. on page 8)

## Fees And Their Payment

**Current Fees:** Annual: Full member = \$15,  
Partner member = \$5

Member for life: under 60 = \$270, age 60-65 = \$220, 65-70 = \$160, over 70 = \$130.

*Receipts:* These will be sent for Life Membership Fees but members requiring a receipt for an Annual Fee must enclose a stamped self-addressed envelope.

a) When paying by cheque or money order please send your payment to

**Membership Officer  
S.A. Superannuants  
P.O. Box 348  
Modbury North SA 5092**

b) **When paying by electronic funds transfer**

Please make sure that when the payment arrives in the Association account it is accompanied by your surname, initial and suburb. Otherwise we may not be able to recognize your payment.

Our Bank is **Bank SA** and other details are:

*BSB 105-900*

**Account number: 950313840**

**Account name: SA Superannuants**

*c) When making an in-person deposit into the Association's bank account you must notify the membership officer (in writing or by e-mail) that you have done this and the date. This type of payment can be very difficult to assign otherwise.*

*d) New members and payments by electronic funds transfer or in-person deposits*

**If you are a new member paying by one of these methods please also send a membership application form to the Membership Officer so that your necessary details can be recorded.**

**On the next page a form is provided that allows new members to join, and existing members to renew their annual membership or convert it to a membership for life or notify a change of address.**

**Membership: Applications & Renewals**

Existing Members: your financial status, name and address is currently recorded as:

«title\_initials»«last\_name» «paid\_to»

«address\_1st\_line»

«address\_2nd\_line»

«address\_3rd\_line»

Please indicate errors or changes:

.....  
.....

**New Members: Title:** ..... **Gender:** .....

**First Name:** .....

**Last Name:** .....

**Postal Address:** .....

.....  
.....

**All New & Renewing Members:**

**Payment Amount: \$**.....

**Purpose of payment** (tick relevant box)

Renew annual membership (\$15 /annum)

Life membership (see scale page 7)

Change annual to life (see scale page 7)

Partner membership (\$5 /annum)

**Year of birth:** ..... (life membership)

**Telephone:**

**Home:** ..... **Mobile:** .....

**Email:** .....

**Signature:** ..... **Date:** .....

«title\_initials»«last\_name»

«address\_1st\_line»

«address\_2nd\_line»

«address\_3rd\_line»

**A volunteer says** (Cont from page 7

The Royal Adelaide Hospital shows its appreciation to its many volunteers by giving us a lunch each year.

My biggest surprise came in my 21st year of volunteering. I was invited to a morning tea for Research Fund volunteers. Then I discovered I was the special guest to receive a framed certificate marking my 20 years of service by awarding me honorary life membership of the Royal Adelaide Hospital Research Fund. It has pride of place in my living room.

Volunteering gives me a sense of purpose for being useful in saving the Research Fund money. There are the unusual aspects. Several times a year one donor sends in a 20 cent coin attached to a sheet of paper. However, there could be the surprise of a donation of six figures. Small or large, all donations are greatly appreciated.

If helping the Royal Adelaide Hospital tickles your fancy **just give Mark Goldsmith a ring on 8222 5281.**

Unfortunately the Research Fund has no vacancies for volunteers at the moment. However, the Kiosk, which is open six days a week, needs volunteers urgently as do the Lavender Lads and Ladies who provide an invaluable service to patients and visitors alike.

Please help our finest hospital. —Maureen