

**THE SUPERANNUANT**

Newsletter of the South Australian Government Superannuated Employees Association Inc.  
Trading as SA Superannuants Established 1927 [www.sasuperannuants.org.au](http://www.sasuperannuants.org.au)

*Membership Applications/Renewals*

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**From the President**

The Government's decision not to proceed with change to the indexation arrangements for the age pension will be great news for all part age pensioners.

The Budget's asset test change will not affect many people with Super SA pensions. People with these pensions are usually assessed under the income test and this test was tightened in 2009 without any change to the asset test being made then.

However, the changes proposed for the asset test will not be welcomed by those asset-tested age pensioners who experience a reduction in, or the complete loss of, their age pension payment. An alternative to doing this would have been to target superannuation tax concessions going to very high income people, but this government seems committed to leaving this alone.

Uncertainty still remains in the health area where the government is sending out mixed messages. The GP co-payment has gone but the government seems determined to continue a freeze on payments to doctors for the services they provide to us. If this freeze persists, GPs and specialists will inevitably start to pass on the cost to patients. Bulk billing will disappear and we will have a GP co-payment by another name.

It was disappointing to me that the budget did not really address the costs of pharmaceuticals to any extent. It is well known that Australians pay substantially more for pharmaceutical products than people in the US and UK. This would have been a good opportunity to raise more revenue and reduce the costs of pharmaceuticals to those retirees not holding a Seniors Health Card.

The government has bought another fight with the AMA by reducing the health budget by nearly \$2 billion without consultation.

We will need to continue to watch events closely as further changes in health structures are quite likely and they could affect our members greatly.

*Peter Fleming*

## Speaker Program for General Meetings

*Speakers and topics subject to change without notice.*

**June 29 Ms Pam Judge** President, South Australian Retirement Villages Residents Association: “Retirement Villages – Standards and Pitfalls.”

**July 27 Dr Ray Hickman** Former President and current committee person of SA Superannuants: “Net Incomes for public sector superannuants.”

**August 31 Mr Deane Crabb** President, Electoral Reform Society of SA: “Electoral reform in South Australia and Australia.”

**September 28 Mr Jack Cross** Former school teacher and education academic: “Centenary History of the Workers Educational Association.”

**Oct 26, Nov 30** Details in October newsletter.

*Pilgrim Centre, 12 Flinders st, Adelaide  
Meetings commence at 1pm.*

## Meet Your Committee\*

### **Michael Wohltmann**

Committee Member. Senior History Teacher and educational unionist SAIT/AEU for over 30 years. Believe in protecting, monitoring and strengthening members’ superannuation. Get involved!

### **Christine Venning**

After retiring from primary school teaching, I found myself on the committee of SA Superannuants. From there it was Assistant Secretary then Secretary. I do front of house for two amateur theatre companies, am a community speaker for Red Cross emergency rediplan and volunteer in at the Art Gallery of SA. In my spare time, I belong to the Adelaide Hills University of the Third Age. I enjoy circle dancing, mah jong, and travel club.

### **Vic Potticary**

Spent all my working life in the printing industry, at State Print finishing up as Senior Customer Service Officer in 1995. In SA Superannuants, held various positions then secretary for 10 years. Appeared before the Senate Select Committee on Superannuation Inquiry into Retirement Planning in February 2003 representing RUMA (Retired Union Members’ Association). During my working life was a member of the Public Service Association and Printing & Kindred Industries Union (PKIU), now an AMWU affiliate. I am a carer for my wife, which is time consuming.

### **Ray Hickman**

At retirement I was a Senior Lecturer in the Health Science Faculty at Flinders University. My field of expertise was Chemistry. Earlier I taught at Port Augusta and Norwood High Schools, St Peter’s College, then in CAEs. My non-superannuation retirement interests are bushwalking and the South Australian outback.

### **Peter Frick**

I retired in 2007 after 40 years with the Education Department as a Primary School Teacher and Principal. My final location was at Sandy Creek Primary School where I was Principal for 23 years. Now I enjoy managing several web sites, genealogy, photography, writing and travel. Committee observer as Website Co-ordinator.

### **Peter Fleming**

For about 30 years worked in various public service agencies including the Prisons Department, ETSA, the Public Service Board and finally TAFE as Assistant Director General. Then established a consulting business based in Thailand and specialising in education and training projects in South East Asia for nearly 15 years. President.

### **Michael Evans**

Has two degrees in Chemistry and a Diploma in Education. Worked as chemist for twenty years then as an education researcher for fifteen years. Retired in 2014. Lived in South Australia since 1972. Joined SA Superannuants 8 years ago, shortly thereafter became a committee member then treasurer. Interested in classical music, carpentry, computing, playing cards, social secretary of a walking group and records keeper for a book club. Treasurer.

### **Clive Brooks**

Born January 1941. Primary education South Australian Correspondence School 1946 to 1948; tuition by wife of a station hand on Buckland Park sheep station. Secondary education as full boarder at St Peter's College. Tertiary education University of Adelaide. LL.B. In private law practice 1967 to 1970. SA Crown Law Office 1971 to 2002 inclusive of 6 months as an Assistant Crown Prosecutor. Married. Son and daughter. Both University of Adelaide graduates. Volunteer University of Adelaide Engagement Office. Vice-president.

\*Some backgrounds, in reverse alphabetic order.

## **The Treasurer asks . . .**

The audited Financial and Investment Statements for 2014 are printed on pages 7 and 8.

The Committee has discussed a possible alternative format for these reports in future which would be closer to that normally used for company reports. Either format is acceptable to the auditor.

The current and possible alternative formats are posted on the Association's website under Home>>Financial Statement.

I encourage members to look at these and send me feedback on which format they prefer. Please contact me on [mmeevans@picknowl.com.au](mailto:mmeevans@picknowl.com.au) or 0437 328 467 (I prefer SMS messages).

*Michael Evans*

## **Super & Pension Alerts Federal Budget 2015**

### **Defined benefit pensions vs age pension**

**F**ollowing the Federal budget, a number of members contacted the Association about reports that defined benefit pension recipients might lose their age pension entitlement. The budget did include a proposal that the maximum proportion of a defined benefit pension that is not counted in the income test will be capped at 10%. ***But this is not likely to affect anyone getting a Super SA or Police Pension or a Commonwealth superannuation pension.*** These pensions are untaxed-source pensions and all, or nearly all, already have less than 10% of their gross amounts that is exempt from the income test.

The proposal is aimed at the taxed-source defined benefit pensions paid by some corporate funds and by the New South Wales and Victorian governments.

These pensions, in 2007, were suddenly allowed to claim a new component that would not be counted in the income test. In many instances this saw 50% (or more ) of these pensions not being counted.

Overnight, people with superannuation pensions of (say) \$40,000 p.a. found themselves having only 50% (\$20,000) counted and their age pension payment increased by about \$8,000 p.a. from what they had been getting before 2007. There were also people with pensions over \$100,000 p.a. who suddenly became eligible for an age pension payment of \$10,000 p.a. or more on top of their large super pensions when previously they had been ineligible for both the age pension and Commonwealth Seniors Health card.

If the proposal to cap the amount of a defined benefit pension that is exempt from the Centrelink income test at 10% gets through the Senate, these excesses will end.

There is more about the Federal Budget posted on the 'Key Topics' page of the Association's website. This deals also with proposed changes to the age pension asset test. These changes will not affect many members of SA Superannuants but they may affect some.

### **Concessions**

The Federal budget confirmed that the Federal Government would not be going back on its decision to cease its contribution under the National Partnerships Agreement (1993) towards retiree concessions on council rates, energy, water and transport,

Soon after budget night the South Australian Treasurer announced that the State Government would replace the \$190 p.a. rates concession with a \$200 p.a. 'Cost of Living' concession that would be paid directly to eligible people. This is a welcome move but the detail of the change is not yet clear - to be reported in the next issue of *The Superannuant*.

*Ray Hickman*

## **Alerts for Retired Persons**

### **QANTAS Club**

SA Superannuants members may join a corporate Qantas Club scheme under an agreement with the Superannuated Commonwealth Officers Association (SCOA). This can save substantially on normal Qantas Club membership.

New members can join at any time. Partners too can join. Existing Qantas Club members can transfer their membership to SCOA's club. Further information can be found at <http://www.qantas.com.au/travel/airlines/qantas-club/global/en>

As a SA Superannuants member, to join Qantas Club or to transfer your club membership into the SCOA scheme, contact Alan Raftery -

E: [Qantas@scoa.asn.au](mailto:Qantas@scoa.asn.au) or T: 0408 850 535.

## **Affiliated Organisations**

### **Australian Council of Public Sector Retiree Organisations**

ACSPRO members had been active lobbying M.P.s, especially cross benchers, about reducing aged-pension indexation to CPI. These efforts, with others', had the desired effect of keeping the current indexation arrangements in place.

Using FOI, ACPSRO has asked the Bureau of Statistics for an account of how they calculate CPI. ABS discounts goods for improved quality: if you replace a 10 year old toaster the new one, will be more expensive than the old one but also of better quality; the ABS discounts the price of the new toaster to remove the improved quality over the old one. Initially it appeared this applies mostly to technical items in the ABS's basket, which have fallen by 4% over the last 10 years whilst other items have risen by 32%.

Further investigation shows most items are discounted. The effect on CPI depends on the weighting the various items are given and these weightings change from quarter to quarter. This matter is complicated and ACPSRO is pursuing it further.

*Michael Evans*

## **Superannuation Federation\***

\*South Australian Government Superannuation Federation under the 1995 Act.

Delegates present on 19 February 2015 were Clive Brooks, Ray Hickman, Christine Venning.

The Federation still has **not** received a reply from the Prime Minister to its letter sent in December 2014 about impact of various government changes to retirement income arrangements.

John Montague, General Manager Super SA, gave a comprehensive report. Super SA was engaging additional staff to answer enquiries. However it takes time to train staff to an acceptable level of competency. Super SA needs more financial planners. It is quite difficult to find people as banks are offering substantial salaries.

In the financial system enquiry chaired by David Murray, the main thrust seemed to be that fees were too high and superannuation needs to be more efficient. John Montague said the quality of the superannuation system wasn't considered.

He took on notice a question from SA Super-annuants about Super SA Select having large set-up costs for a small number of members.

Mike Grdosic, Acting Head of Investments, Funds SA, reported that the last six months had been an interesting time with the volatile market. There had been a significant decrease in oil prices – down 41%. Other sectors had coped quite well. Property was doing quite well. The Australian dollar has held up well against the euro and yen.

Jane Dharam, Manager Investor Services and Superannuation Research, gave an insight into performance of Funds SA's multi sector fund return for the six months ending 31 December 2014. General performance is in line with expectations over the long term.

Ray Hickman gave a short history of the EISS dispute and informed the delegates of the online resource now present on our website.

Meeting dates for 2015 are 18 February, 20 May, 2 September (AGM also held) and 25 November.

*Christine Venning*

## **Appointment at Funds SA**

Ms Jo Townsend commenced as Chief Executive Officer on 20 April 2015, replacing Mr Richard Smith who retired after 27 years with Funds SA.

Jo has extensive and strong investment experience gained over more than 20 years of working with trustee boards, asset consultants, investment managers, fund staff and members.

Prior to joining Funds SA, she worked in the superannuation sector for 12 years at REST Industry Super, NGS Super and the Retirement Benefits Fund of Tasmania. Earlier, she spent 11 years in funds management, specifically managing fixed interest portfolios for institutional and superannuation clients.

Jo has a Bachelor of Mathematics and Finance from the University of Technology, Sydney, and has been awarded the designation of Certified Investment Management Analyst from IMCA.

*Jane Dharam*

## Tributes to Former Members

**Roger John William Tilmouth**  
13 January 1937-10 March 2015.

Roger was the Association's hard working and much valued Guest Speaker Coordinator for several years. As a committee member, his unassuming manner hid a fine intellect and a great sense of humour.

Roger was born and grew up in Prospect and lived there for over 20 years, attending Blair Athol Primary School and Nailsworth Boys Technical School. As a teenager, Roger rode a motorcycle and on one occasion when the police attempted to pull him over he managed to outrace them through the back streets of Prospect, probably the rebellious highlight of his life.

After completing his Intermediate year, Roger joined The Advertiser as a clerk. National Service followed. He studied for many years to improve his employment prospects, first as a meat inspector, which he did not enjoy, and then as an accountant. Later he joined the Milk Board, which later became the Dairy Authority of South Australia, where he worked until his retirement.

His personal life flourished with his marriage to Claire in 1961; he and Claire rented in Prospect for 3 years until Roger finally left Prospect and he and Claire moved to a house in Vale Park where they lived for the next 51 years. Roger and Claire adopted two children, Kristen and Mark both of whom adored their adoptive parents. Later came two granddaughters, Katie and Chloe, who were the joy of Roger and Claire's lives.

Roger's sporting interests covered footie, baseball, tennis and golf. His children's sports led him to coach football and tennis.

Roger retired in 2006 and this gave him the opportunity to travel both overseas and, frequently, to Cairns where granddaughter Chloe and her parents live. Unfortunately for SA Superannuants, Roger left the committee because he was away so much. Our deepest sympathies go out to Claire, Kristen, Mark, Katie and Chloe.

*CV, ME*

**Neil Mason** 22 July 1927-11 April 20

Neil was always happy to conduct our Association elections at the AGM in February of each year. He did so with flair and dignity. He will be sadly missed. Neil had retired in 1986 at the pinnacle of his chosen profession – Principal Class A at Norwood Primary School.

But back to the beginning. He was the youngest of eight children born at Kadina on Yorke Peninsula where he completed his primary and secondary education. He then went on to do a science course at Adelaide University and in 1946 enrolled at the Adelaide Teachers College.

His first appointment was as a science teacher in Alice Springs where he met his future wife, Pauline. In 1951 they married and trooped to various schools in the country for 23 years. He was an ardent Port Power follower as well as participating in hockey and cricket – fielding at silly point.

Neil was involved in professional groups at the highest level – SA Primary Principals Association as well as life member of the Australian Primary Principals Association. He was an active member of COTA and Retired Teachers Association. He designed the first sessions for The School of the Air and was a member of the World Education Fellowship among other organisations.

Neil was a devoted grandparent and was very proud of his family. Loyalty and dedication were his bywords. As he was so fond of saying *Catch you later*.

Our deepest sympathies go to Pauline and the extended family including three great grandchildren.

*CV*

## Treasurer's report to the Annual General Meeting

### SA Superannuants

<b>Audited Investment Accounts for the year ending 31/12/2014</b>				
Investment Account	Value at 31/12/2012	Value at 31/12/2013	Value at 31/12/2014	Maturity Date
CommInvest Term Deposit	26,208.28			03/07/2015
CommInvest Term Deposit		27,453.17		03/07/2015
CommInvest Term Deposit			28757.20	03/07/2015
Argo Shares (3329)	20,473.35			Value at 31/12/12
Argo Shares (3465)		25,329.15		Value at 31/12/13
Argo Shares (3596)			27,904.96	Value at 31/12/14
BankSA Term Deposit	33,383.77			30/06/2013
BankSA Term Deposit		30,000.00		30/06/2014
BankSA Term Deposit			31,201.34	30/06/2015
CBA Term Deposit	34,423.65			14/04/2013
CBA Term Deposit		35,028.89		14/04/2014
CBA Term Deposit			36412.53	14/04/2015
<b>TOTALS</b>	114,489.05	117,811.21	124,276.03	
Cash on Hand	0.00	0.00	0.00	
Cash in Cashbook	4,460.94	5,420.71	8,476.60	
Sub Totals	4,460.94	5,420.71	8,476.60	
<b>OVERALL TOTALS</b>	<b>118,949.99</b>	<b>123,231.92</b>	<b>132,752.63</b>	

### Audited Financial Statement – Year ending 31/12/2014

		2012	2013	2014
<b>Income</b>	<b>Balance brought forward</b>	<b>6,505.24</b>	<b>4,460.94</b>	<b>5,420.71</b>
	Subscriptions	12,757.00	14,108.00	18,371.00
	Raffle Proceeds (net)	85.00	90.00	90.00
	Honorarium not req'd	60.00	0.00	0.00
	Tax Refunded	0.00	0.00	3.99
	Donations	0.00	15.00	0.00
	Sundries	0.00	312.00	24.00
	Bank Interest	83.52	16.21	14.77
	Interest on Investments*	5,420.28	4,293.71	4,868.64
	Investments Redeemed*	89,930.24	67,807.42	65,028.89
	<b>Income Total</b>	<b>108,336.04</b>	<b>86,642.34</b>	<b>88,401.29</b>

<b>Expenditure</b>	Hall Hire	930.26	1,144.77	761.96
	Newsletters (Print/Post)	4,628.11	7,482.44	7,299.80
	Photocopies/Stationery	1,992.41	1,045.95	1,308.06
	Executive Expenses	3,423.04	2,290.19	2,051.46
	Fees	1,272.50	1,115.00	1,595.75
	Taxation	985.00	3,619.23	1,108.44
	Insurance	576.00	580.00	580.00
	Sundries/Donations/Web	1,222.50	1,239.98	742.40
	Interest Reinvested*	5,420.28	2,741.36	4,868.64
	New or Re-investments	89,930.24	64,423.65	65,028.89
	<b>Expenditure Total</b>	<b>110,380.34</b>	<b>85,682.57</b>	<b>85,345.40</b>
	<b>Cashbook Balance C/F</b>	<b>4,460.94</b>	<b>5,420.71</b>	<b>8,476.60</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. Except \$62.00 Executive Expenses, \$409.90 Sundries and \$0.44 Tax; the Committee approved these on 09/02/2015. (*See also page 2 concerning format of reports*)

\*The "**Interest on Investment**" and "**Interest Reinvested**" figures for 2012 do not include the Argo share dividend for that year. The auditor is aware of this, but as the "Interest Reinvested" figure is subtracted from the "Interest on Investment" figure this inconsistency does not affect the Balance C/F; the auditor and I agreed to leave this anomaly as the accounts had already been audited. The figures for 2013 and 2014 do include the Argo share dividends.

## From the CEO of Super SA

### Financial Systems Inquiry well received

Clear goals for the super system, super tax changes, more independent board directors, innovation in pension income products and changes to financial advice: all are recommended in the final report of the Financial System Inquiry released by Treasurer Joe Hockey last December.

These are the findings of a year-long review. Of the 44 recommendations, 28 would impact superannuation and retirees. In summary,

1. Development of a clear goal for the Australian superannuation system: to provide income in retirement or substitute/supplement the Age Pension; that by 2050 half of retirees achieve at least a "comfortable" lifestyle (ASFA Retirement Standard).
2. Review of superannuation tax concessions, both pre and post retirement, and realignment with the system's objectives.
3. Increase the number of independent directors on corporate trustee boards, align director penalty regime with managed investment schemes and strengthen conflict of interest requirements.
4. Raise the competency of financial advice providers, introduce an enhanced register of advisers and align the interests of financial firms with those of consumers.
5. Removal of regulatory impediments to open up the pension income product market and funds to make available a low-cost, comprehensive default pension income product.
6. Time to be allowed for the full impact of recent reforms, including MySuper and SuperStream, to take effect before other changes are introduced.

Well received by the superannuation industry in general, the Association of Superannuation Funds of Australia (ASFA) considers the report to have sound, comprehensive and informed recommendations and the potential to provide a blueprint to increase the resilience, efficiency and fairness of the financial system. The CEO, Ms Pauline Vamos, says ASFA supports the majority of the recommendations relating to super, particularly those regarding innovation and consumer outcomes. ASFA supports increasing regulator accountability and transparency.

We wait to see which of them becomes policy.

*John Montague*

## Fees And How to Pay

**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 will be sent for Life Membership Fees. Members requiring a receipt for an Annual Fee must enclose a stamped self-addressed envelope.*

a) **When renewing by cheque or money order**, please mail your payment to:

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

b) **When renewing by electronic funds transfer**, please make sure that when the payment arrives in the Association account it will be accompanied by your surname, initial and suburb. Otherwise we may not be able to recognize your payment.

Our **Bank SA** 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 subscribing by electronic funds transfer or in-person deposits**. If you are a new member paying by one of these methods please **also** send the membership application form to the Membership Officer so that your necessary details can be recorded.

*On the next page: form for new members to join, and existing members to renew annual membership or convert to a membership for life or provide for a partner or notify a change of address.*

**Membership Officer contact: see page One**

## Membership Applications & Renewals

**Existing Members:** Your financial status, name and address and the financial status of your partner (if applicable) is currently recorded as:

Please indicate errors or changes:

.....

**New Members:**

Title ..... Gender .....

First Name .....

Last Name .....

Postal Address .....

.....

**All Members (New & Renewing):**

**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** ..... (if life membership)

**Telephone: (H)** .....

**(Mob)**.....

**Email** .....

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

**New on the Website**  
[www.sasuperannuants.org.au](http://www.sasuperannuants.org.au)

## Back issues of Newsletter

The web site contains back issues of the Superannuant going back a number of years.

## COTA Hands Off our Pension

Current campaign articles appear in Key Topics.

## The National Partnerships agreement

The Association's letter to the Assistant Treasurer concerning the termination of retiree concessions appears under Key Topics>>2014 Federal Budget Response. MP replies appear one click onward.

**SA Superannuants Committee for 2015** is listed under Information>>General Information.

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

**Correction:** in Issue 42, the information on licenses came from Mike Wohltmann, not Mike Duff. Thanks, Mikes

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**Show this issue to  
a non-member superannuant.  
Membership Officer details on p1.**