



# Hobart Branch Newsletter

August 2008

## Hobart Branch Office Bearers.

President: Mr. Ashton Shirley 6225 1803

Secretary: Mr. Geoff Dodge 6273 2395

Treasurer: Mr. Peter Comas 6243 5743

## Branch AGM 15<sup>th</sup> August 2008.

Members are invited to nominate for voluntary service on the Hobart Branch Management Committee for 2008 / 09.

Positions to be filled are:

- Branch President.
- Deputy President.
- Secretary.
- Treasurer.
- Newsletter Editor.
- General Committee Members.

Present office bearers may nominate for re-appointment.

Members who are not currently serving on the Committee may nominate for a specific appointment or for general membership of the Committee.

Written Nominations must be received by the Secretary (PO Box 990 Sandy Bay 7006) not later than Wednesday 13<sup>th</sup> August 2008.

## Branch Annual General Meeting.

Friday 15<sup>th</sup> August 2008  
Derwent Room, Wrest Point,  
Commencing at 10.30 am.

*Following the AGM,  
there will be a Members Forum,  
and a luncheon at the Coffee Shop  
will follow the meeting.  
( see page 2 for lunch booking )*

## Branch Committee Nominations.

Position: .....

Nominee: .....

Nominator: .....

Seconder: .....

## Nominations for the Committee.

Signature: .....

Signature: .....

Signature: .....

Date: .....

## Commonwealth Seniors Health Card. New Income Thresholds.

### Changes outlined in the 08/09 Budget.

“The definition of income for income-tested benefits will be broadened to include salary-sacrificed super contributions, net financial losses and rental property losses, and reportable fringe benefits.

From 1 July 2009 the income test for the CSHC will include income from superannuation streams with a taxed source, and salary that is sacrificed to super. This will ensure that all income received by Seniors is treated in the same way. The new CSHC compliance measures will be progressively rolled out from 1 July 2008”.

( Source: Budget Papers 2008/09.)

## AIR is Concerned about the CSHC eligibility thresholds.

Some self-funded retirees may to lose eligibility for the CSHC from 1 July 2009 as a result of changes to the CSHC income tests announced in the Budget.

Effects of losing eligibility include:

- PBS medicines will cost \$31.30 instead of \$5.00 per script.
- PBS safety net will increase from \$290.00 to \$1,141.80.
- Seniors Concession Allowance of \$500 may be lost.
- Any future Seniors Bonus Payment may be lost.
- Telephone Allowance of \$88 per year may be lost.
- Travel concessions on Great Southern Rail may be lost.

The last adjustment of thresholds was in 2001. The current adjusted taxable income thresholds are \$50,000 single and \$80,000 for a couple.

## The Minister's Response.



The National President of AIR, Theresa Kot, met with the Minister for Families, Housing, Community Services and Indigenous Affairs, Hon Jenny Macklin on 19<sup>th</sup> June and she was advised

by the Minister that: (quote) -

*“there will be no indexation of the threshold levels of the CSHC, and there will be no increase in the threshold values to compensate for the lack of indexation since 2001. In addition, there will be a greater degree of checking, with Tax File Numbers being linked to CSHC applications from 1<sup>st</sup> July 2009”.*

## Linking Tasmanian Seniors.

‘Linking Tasmanian Seniors’ is a group that will assist seniors in gaining skills and confidence in the use of computer systems and information technology. The membership fee is \$10 per annum. The website is as follows:

<http://linkingtasmanianseniors.org.au>

The Email address is :

[members.linkingseniors@bigpond.com](mailto:members.linkingseniors@bigpond.com)

### Coffee Shop Luncheon.

A buffet luncheon at Wrest Point Coffee Shop will follow the AGM on 15 Aug. The group concessional price is \$18.50 per person. **Booking is necessary. Please book by phoning the Branch Secretary Mr. Geoff Dodge on 6273 2395 not later than Wednesday 6<sup>th</sup> August.** Payment will be collected in the Derwent Room after the AGM, not at the Coffee Shop.

## **Increased A.I.R. Membership Fees**

The A.I.R. Board has decided to increase the membership fees for 2008-09, which are due on 1<sup>st</sup> July 2008. The last increase was on 1<sup>st</sup> July 2000, and costs have risen considerably since then. In addition, A.I.R. will lose the commission from the Commonwealth Bank following the withdrawal of the A.I.R. Visa Card.

The single membership fee will increase from \$25 to \$35, and the fee for a couple will increase from \$40 to \$50. Your invoice for 2008-09 is based on the increased membership fees, and payment is required by the end of September 2008.

## **Termination of A.I.R. Visa Card.**

As reported in the June 08 Newsletter, the A.I.R. Visa Card will be cancelled effective 1<sup>st</sup> September 2008, following a commercial decision by the Commonwealth Bank.

The National President has advised that negotiations are in progress with other banks in an endeavour to secure an alternative credit card offering similar conditions to those that were offered by the Commonwealth Bank Visa Card.

In the meantime the Commonwealth Bank will write to all Visa Card holders advising them of options for their consideration.

Important Points to remember are:

- All transactions on your A.I.R. Visa Card should be completed before the end of August 2008.
- It will be necessary to arrange for an alternative Credit Card before the end of August 2008.
- If you have accumulated Commonwealth reward points you

should claim them, or transfer them to another card before the end of August 2008.

- If you have direct credits linked to your A.I.R. Visa Card you should arrange an alternative method of payment before the end of August 08.
- If you have a second card, eg a spouse's card, linked to your A.I.R. Visa Card you should make alternative arrangements for the second card.

## **Meeting of Kindred Associations.**

These Kindred Retirees Associations meet from time to time to discuss matters of common interest:

- Superannuated Commonwealth Officers Association (SCOA).
- Council on the Ageing (COTA).
- Tasmanian Association of State Superannuants (TASS).
- Association of Independent Retirees Ltd. (AIR).

At the May meeting the following matters were discussed.

- Land Tax.
- Goods and Service Tax (GST).
- State Seniors Card - reciprocal travel arrangements.
- Water and Sewerage Bills.
- Indexation of Pensions.
- Dental Health.
- Private Health Insurance.
- Response to Federal Budget.
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## **Peak Superannuation Advisory Group Established.**



**Senator the Hon Nick Sherry, Minister for Superannuation and Corporate Law, recently announced the establishment of a Superannuation Advisory Group. The Minister said :**

*”Superannuation sits at the core of this Government’s approach to retirement Income. A well functioning super system is a must for the income security of all Australians”.*

**When in Opposition, as the Shadow Minister for Superannuation, he wrote:**

*“The indexation method for retired public sector employees, is currently Consumer Price Index (CPI) based compared to the age pension which is Male Total Average Weekly Earnings (MTAWE) based. The value of the defined benefit pension is slowly being eroded over time”.*

**His letter went on to say:** *“Those in an untaxed scheme will have their non-super income added on top of their declarable super income, whilst those in a taxed scheme have their non-super income starting from the tax level of zero as their super income is not declarable.*

*The Government should adopt the recommendation of the Senate Economics Committee, released on completion of the enquiry into the Tax Laws Amendment ( Simplified Superannuation) Bill 2006. The committee unanimously recommended:*

*“The government should consider separately assessing, for taxation purposes, superannuation income streams and additional assessable income”.*



**On 27<sup>th</sup> August 2007, the then Leader of the Opposition, Hon Kevin Rudd wrote:**

*“In 2001 a Senate Select Committee concluded “Commonwealth public sector and defence force superannuants are having their living standards eroded through the use of the CPI alone, rather than the higher of the CPI or a wage-based index”.*



**More recently, on 30 April 2008, Parliamentary Secretary Bob McMullan wrote to Senator Sherry as follows: (quote) -**

*“I write to you in regard to issues relevant to your portfolio as Minister for Superannuation. My first concern, which I have raised with you in the past, is the inequitable indexation of CSS and PSS pensions. As you are well aware, in 2001 the Senate select Committee found that indexing CSS and PSS pensions to the CPI, rather than MTAWE, is eroding the quality of life of these superannuants.*

*The anomaly of indexing CSS and PSS super to CPI, when most other government pensions are indexed to the greater of CPI or 25% of the MTAWE, remains of concern to myself and many of my constituents. I would appreciate if you could update me on the progress of your examination of ways in which this anomaly might be overcome”.*

**These significant anomalies were not addressed in the 08 / 09 Budget.**

**( Sources: Letters held by the Branch Editor )**