South Australian Government Superannuated Employees Association Inc.
trading as:

S.A. Superannuants Newsletter

Established 1927

Issue No. 13
May, 2005

Website–http:// www.homepages.ihug.com.au/~reddaway

President: Ray Hickman
24 Castle Street, Modbury, S.A. 5092
Tel: (08) 8264 4146
e-mail: raywen@bigpond.net.au

Treasurer/ Membership: John Reddaway
7 Mead Street, Paradise, S.A. 5075
Tel: (08) 8337 2425
e-mail: reddaway@ihug.net.au

Secretary: Vic Potticary
27 Torrens Street, Torrensville, S.A. 5031
Tel: (08) 8352 6504
e-mail: cosme@senet.com.au

From the President

Over the last 10 years or so the Association has probably been as active as at any time in its long life. Advances in members' interests have been modest, but real. Most obvious is the achievement of twice-yearly indexation in 2002 thanks largely to the work of former President, and now Honorary Life Member, Frank Morony.

Individual members are, from time to time, assisted with matters affecting their pensions and in 2003 the Association was able to make improvements in state legislation dealing with the splitting of pensions when marriages break down.

The Association membership now stands at about 1500 and for the last 12 years a large part of the task of servicing this membership has been admirably performed by John Reddaway. At the April meeting John reluctantly advised the Executive Committee that he is resigning for personal reasons.

How do we replace a person like John? Only with difficulty, but he must be replaced if the Association is to continue to run effectively. More important, in fairness to John, the replacement must be made quickly and under his guidance. Consequently, at the May Executive meeting the necessary arrangements will be approved and implemented.

John's resignation highlights the fact that the Executive Committee is already operating with three general committee positions vacant.

Now, there is no point in getting people on the Executive Committee who have no real desire to be there. The Association needs people who are willing to work, think and put a point of view about how it might best represent the interests of members. I am confident that the Association has many such members and I commend service on the Committee to any person who can get to meetings.

One thing is certain: there will be thousands of us dependent on the State Pension Scheme for a long time yet. This long period is likely to be quite challenging for the Association and similar organisations. **It is not likely to be a time during which the meek will be given the earth.**

Ray Hickman

General Meetings

**Venue: Pilgrim Centre,
12 Flinders Street, Adelaide**

1 p.m-2.30 p.m.

Speaker Program—May-September, 2005:

May 30: Ms Caroline Batalha, Repatriation General Hospital. *Mental Health Services for the Elderly.*

June 27: Mr Paul Lainio, Bureau of Meteorology. *The Greenhouse Effect and Global Warming.*

July 25: Tanya McKew, *Forensic Science and Snippets of Case Studies*

August 29: Barry Grear, AO: *Communities Recovering from Disaster*

September 26: Professor Lloyd Sansom, AO: *Pharmaceuticals and the Free Trade Agreement*

From the Association Treasurer

Remember, when renewing your membership, if you want to retain your "Newsletter" intact, it is not necessary to use the renewal form printed on the last page. Any clear written statement of your name and address is sufficient to maintain correct records.

I must congratulate members. As a result of the January "Newsletter" mail-out I received five (5) letters returned to me marked "NOT AT THIS ADDRESS". This is the best result since we began sending out "Newsletters" and, I think it shows that members are interested in what we say and what we are trying to achieve. The downside is that we have lost another five members. So PLEASE, if you change your address inform the Association so that the records can be altered accordingly.

We have gained a few new members so far this financial year so some of you have been encouraging friends to join. You know what our aims are so tell others of the advantages of membership and the more members we have, the stronger our voice when we approach MPs.

John Reddaway

S.A. Government Superannuated Employees Association Inc.

Audited Finance Statement - 01/01/2002 to 31/12/2004

Income	**2002**	**2003**	**2004**
To: Balance Brought Forward	2,039.71	3,895.49	4,508.37
Subscriptions—Annual	3,678.00	2,237.50	2,210.00
Life	3,430.00	1,960.00	3,742.00
Pre-paid	2,046.00	1,974 00	1,720.00
Bank Interest	11.24	16.08	22.49
Raffles (nett)	224.65	127.50	208.20
Donations	108.00	111.00	60.00
Sundries	93.45	37.10	—
Interest on Investments	1,395.69	—	1,001.22
Savings & Loans S5 A/c (closed June 02)	2,256.20	—	—
Total	$15,282.94	$10,358.67	$13,472.39
Expenditure			
By: Hall Hire	676.50	1,044.00	924.00
Govt. Debits Tax	30.30	20.40	26.00
Fees	300.00	100.00	300.00
Postage	2,707.25	855.00	2,679.00
Executive Expenses	1,901.37	1,084,50	997.70
Petty Cash	40.00	17.55	17.35
Sundries	1,095.20	1,172.95	846.05
Investments	2,500.00	—	—
Taxation	1,043.70	1,005.90	1,035.00
Donations	200.00	150.00	200.00
Photocopies/Stationery	893.13	400.00	1,485.00
Insurance	—	—	887.15
Balance Carried Forward	3,895.49	4,508.37	4,075.14
Total	$15,282.94	$10,358.67	$13,472.39

1 All monies received during the year were banked and all accounts were passed for payment at the respective committee meeting and all accounts were paid
2 Income was lower due to interest on investments which was compounded and added to original investment, and membership renewals were lower
3 Postage costs in 2003 were reduced due to purchase of 3 sets of envelopes in 2002 and one set in 2003. In 2004 three sets were purchased again as an additional newsletter was established.
4 Hall hire costs have risen due to an increase in the hire rate.
5 Insurance policy was taken out in 2004 as protection of members and committee.

Investment Accounts

Investment Account	**2002**	**2003**	**2004**	**Matures**
Macquarie Financial Services				
*Adelaide Bank (Life Members' Account)	$20,353.02	$21,502.97	—	05.05.04
C.B.F.C.	$15,654.94	$16,570.75	$17,540.14	03.07.05
ESANDA	$11,225.03	$11,853.63	$12,381.12	09.08.05
* † Bank S.A.	$20,413.67	—	$23,204.18	01.02.05
†Bank of Queensland	—	$21,475.18	$21.475.18	30.05.05
Total	$67,646.66	$71,402.53	$78,684.27	
Cash on hand (Petty Cash)	$18.50	$13.80	$7.90	
Cash at Bank	$3,895.49	$4,508.37	$4,075.14	
Total	$71,560.65	$75,294.70	$78,684.27	

[x] Adelaide Bank account redeemed 05.05.04 and re-invested with Bank S.A.

† Investment with Bank S.A. redeemed 30.05.03 and re-invested with Bank of Queensland

New Products from Super SA

Super SA has introduced two new products designed to assist you manage your super: the Super SA Allocated Pension and the Super SA Flexible Rollover Product.

Both products are managed by Super SA, so you can continue to enjoy low administration costs and investment fees, and access Super SA's range of services. There are no entry, exit or withdrawal fees associated with either of the new products.

Both offer the choice of six investment options and your funds will be managed by a highly skilled fund manager, Funds SA, which has a solid history of producing better-than-average returns.

The Super SA Allocated Pension allows you to convert a lump sum payment that you may receive on retirement into a regular income stream. There are many benefits, including tax advantages for your money. You are able to make lump sum withdrawals with a minimum amount of $1,000.

You can choose the amount of income you receive and how often it is paid.

The opening balance must be a minimum of $30,000. Once it is set up, you cannot add further amounts, but you can commence a second allocated pension account with a minimum amount of $10,000.

The Super SA Flexible Rollover Product offers a low-cost, tax-effective environment in which to "park" your super while you decide what to do with it in the long term, while still allowing you access to some or all of your money (subject to preservation rules).

It provides the perfect way to consolidate your super before moving it into an allocated pension.

You can roll in other super and contribute non-super monies to reduce the amount of fees that you pay by having multiple accounts. You need $1,500 to get started and can make additional lump sum contributions. You also have the opportunity to create an account for your spouse or de facto.

If you would like more information on these new products, please visit the Super SA website www.supersa.sa.gov.au to view and download the Product Disclosure Statements. You can email superproducts@saugov.sa.gov.au or ring 1300 781 874 to have copies posted to you.

If you would like to attend an information session at the Super SA office, please contact Super SA at the addresses above or visit www.supersa.sa.gov.au for details.

Editor: The information in the box has been supplied by the Super SA office at the Association's request. The purpose is merely to inform members of the existence of these new products which are available only to former government employees. They may be of interest to Association members who have superannuation money in addition to their Super SA lifetime pensions. These pensions remain unaffected.

Taxation of Super SA Pensions

There has been considerable interest created by the Association's submission made in late January to State MPs on the matter of state superannuation pensions being taxed as normal income when public sector superannuants (including MPs) in other states are able to claim the 15% superannuation tax offset.

Meetings have been held with Ms Frances Bedford, MP (Labor, Florey) and Mr Angus Redford, MLC (Liberal). Mr Nick Xenophon, MLC (Independent, No Pokies Campaign) has also agreed to a meeting. Mr Iain Evans, MP (Liberal, Davenport) and Dr Robert Such, MP (Independent, Fisher) have both sought a response to our claims from the Treasurer.

The Executive Committee has authorised dispatch of a follow-up submission to the one made in late January. A full report on the reactions to our two submissions will be given in the August newsletter.

Executive Committee Profiles

Ray Hickman, President: Ray is aged 60 and a former Senior Lecturer in the School of Nursing, Flinders University. His field was chemistry.

His main retirement interests (apart from superannuation) are bushwalking and stereo photography. Ray has recently completed the Diploma of Superannuation Management which is offered by the Association of Superannuation Funds of Australia and Macquarie University.

Ray is a staunch supporter of the principles embodied in the Commonwealth's Superannuation Industry (Supervision) Act, 1993 (the SIS Act)

* * *

Clive Brooks, Vice-President: born in January 1941, Clive spent three years in private legal practice followed by nearly 31 years in the state Attorney-General's Department as a legal practitioner.

Retirement activities include bushwalking, one day a week working as a volunteer in the University of Adelaide Development Office, and being part of an eight-member group that both produces and presents the Radio Adelaide program "Expanding Horizons".

Clive takes every opportunity upon meeting any non-member superannuants to tell them of their need to join SAS, not as a social club but as their only effective political lobby group.

Members' Column

Investment Earnings and CPI: Who pockets the difference?

I have read the Newsletter (January, 2005) and under "Pension Scheme Investment Earnings" I read the average return over 8 years was a nice 9.3% and over the same time the CPI was only 2.58%. So, our super increased only by 2.58% in average over the last 8 years. My question will be who pocketed the difference of 6.72% per year in average over the last 8 years? This shows clearly the market and the standard of living is going up more than the CPI, which is after all only a fabricated inflation indicator.

Over the long run the standard of living has always increased in Australia and most of the world. The super must increase with the standard of living otherwise we would be living in small houses and driving around with cars of the 50s.

Even the pension is better adjusted than our super and we have paid for it. After all we have always been underpaid in the Public Service and now even in retirement. That has to be stopped. I will write to the Minister and MP about the above. I am pleased the Association is working on a fairer super for the superannuants.

Arnulf Anders

***[Editor' comment**—There is no pocketing of money by anyone when pension scheme investment returns run well above the targeted level. Such returns only reduce the amount the State Government, and the other cooperating employers for the pension scheme, have to pay over the lifetime of the scheme in order to fund it. The scheme actuary estimates this at about 20% of salary when he/she assumes that investment returns will be 4.5% above the CPI.*

Actuaries tend to be conservative and so their estimates of employer costs tend to be high but no-one would deny that the real employer cost of the pension scheme is far above the superannuation guarantee (SG) level of 9%.

Just as we are entitled to insist that benefits cannot be reduced when investment returns are poor the Government is entitled to any advantage that good investment returns provide. This will be the case until such time as investment returns are so good that the actuary estimates the employer cost at less than 9%.]

Current Executive Committee

President: Ray Hickman
Vice-President: Clive Brooks
Secretary: Vic Potticary
Assistant Secretary: Christine Venning
Treasurer and Membership: John Reddaway
Committee Members:
Maureen Goodwin, Willy Hajszan, Laurie Bennett
(three positions remain unfilled)

Obituary

Vale Cecil May 10/5/1905-14/4/2005

Cecil Howard May was born at Curramulka on Yorke Peninsula. He grew up on a farm and attended the Curramulka School before coming to Adelaide to complete his education at Unley High.

On leaving school Cecil qualified as a cabinet maker but work of that type was then difficult to find and he returned to farm work with his brother.

Cecil played football for the Sturt Club during 1924-28 and lived to become Sturt's oldest former player.

Cecil married Myra Burt and they had two children, Maureen and Kevin. Myra died in 1950 and Cecil later married Patsy Good.

In the last 17 years of his working life Cecil returned to woodworking and joined the maintenance staff of the then School of Mines. He became a member of the pension scheme in this period.

In retirement Cecil was a volunteer with Meals on Meals, his local church and St. Mary's Probus Club. He was an annual member of the Association when he died in his 100th year.

Membership Form

✂ *Cut here and post to:*

SA SUPERANNUANTS
24 Castle Street, Modbury, SA 5092

Existing Life members should ignore this section (unless notifying change of address). Membership inquiries should be directed to Ray Hickman, Tel 8264 4146.

Your membership category is on the envelope.

MEMBERSHIP 2005

Renewal 2005 / New Application / Life membership

(Delete as necessary)

Please find enclosed the amount of $..................*
for *S.A. Superannuants* Annual / Life Membership

FULL NAME (please print).....................................

....

ADDRESS (please print)...........................

.... Post Code..........

Tel.:........................ Date of Birth....../...../19.......

SIGNED...

DATE......./........../200.....

***Fees:** Annual = $10. Life *(once only fee)* Under Age 60 = $200; Age 60-65 = $160; Over Age 65 = $110.

(Receipts will not be posted unless a stamped, self-addressed envelope accompanies the application)