

“Remember! The first line on the envelope address shows your financial status”

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THE SUPERANNUANT

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

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Address Membership Applications/Renewals to:

The Membership Officer, S.A. Superannuants, P.O. Box 348, Modbury North, SA 5092
(08) 8264 4146. E-mail: raywen@bigpond.net.au

From the President

You can see that the newsletter has been given a new title and a new banner. This will not change its essential character but I believe that the new title you see above is more distinctive than the old. I thank our Secretary, Vic Potticary, for coming up with the new name and then setting it out in a new banner.

You will notice that the banner of the newsletter no longer displays the private addresses of Association Officers. This is a change which heeds the advice given to all organizations these days that they should not publish private addresses.

We now have two post office box addresses. One is for general correspondence, which should always go to the Secretary, and the other is for membership applications or renewals which should always go to the Membership Officer.

Willy Hajszan has been the Membership Officer for two years and on behalf of the Association I thank Willy for his contribution in this role. The Membership Officer position is filled by Committee appointment, rather than election. I have been appointed to the Membership Officer position and will not be standing for re-election as President at this year's AGM.

I have had a relatively lengthy tenure as President (six years) and the experience has been very satisfying. I am grateful for the support and encouragement given me by the other Officers and the Committee members during my time as President.

This newsletter has an insert, as have many others published recently, and the frequency with which we are using this method suggests that we need to adopt a different format that can give members the newsletter in one piece, irrespective of its length. The insert to this issue includes a contribution from the *National Information Centre on Retirement Investments Inc (NICRI)* on **Reverse Mortgages**. —Ray Hickman

CPI Change: The Adelaide Consumer Price Index increase for June 2008 – December 2008, was **1.01%** and this same adjustment will be made to Super SA pensions from the first pension payment date in April, 2009.

Annual General Meeting
Monday, 23 February, 2009, at 1 p.m.
Pilgrim Centre, 12 Flinders Street, Adelaide

Agenda:

1. Apologies
2. Minutes of the 2008 Annual General Meeting
3. Annual Reports: President, Treasurer
4. Election of Officers and Committee for 2009

----- Guest Speaker:

Brett Benham, Science Communication Officer,
Flinders University: “*Nanotechnology*”

Speaker Program for General Meetings:

March-May, 2009

(Speakers and topics subject to change without notice)

March 30: Helen Clifton: Australian Orangutans Project, *Orangutans*

April 20:** **Christine Howard**, The Commonwealth Bank “*Banking Made Easy*”

** this meeting has been shifted from 27 April to avoid the Anzac Day Holiday

May 25: Arthur Jeeves, Historian “*Explorations of Captain Sturt*”.

Disclaimer: Readers should not act, or refrain from acting, solely on the basis of information in this newsletter, but should consult the relevant authorities or other advisers with expertise in the particular field.

Neither SA Superannuants nor the editor accepts any responsibility for actions taken.

Keep the Association Strong!

An item with this title appeared as the lead item in the February, 2006 issue of the newsletter. If you keep your newsletters (as quite a few members tell me they do) you will be able to confirm that the rest of the item differs little from the earlier version. The Association is strong but its strength remains fragile.

We can say the Association is strong because its membership is increasing despite the fact that the membership base is decreasing. In the February, 2006 newsletter membership was reported as 1500, now it exceeds 1700. The Association is strong financially because it holds reserves equal to many times its annual expenditure and has income sufficient to meet its expenditure without depleting reserves.

But our strength is a fragile strength because it depends on volunteer labour provided by the Association Officers and Committee. The main Association tasks that must be performed on an ongoing basis include—

- **Treasurer duties:** receipt of fees; payment of accounts; administration of investments and of the operating account.
- **Secretarial duties:** meeting minutes; correspondence; liaison with other bodies, for example Super SA.
- **Membership officer duties:** recording of all fee payments, banking of fees, maintenance of an accurate record of member financial status.
- **Guest Speaker Program:** recruitment of, and liaison with, guest speakers.
- **Newsletter Production:** writing/editing of three newsletters annually with mail-out to 1700 members.
- **Website Development and Maintenance**
- **Preparation of Submissions**

To ensure that these tasks continue to get done we need new people coming forward into Committee positions. We must also maintain the Association membership at least at its current level of 1700 and, preferably, increase it significantly.

If you know people who are currently not members, but who are eligible to join, then encourage them to do so. If you are in a position to help the Association carry out its work then please consider doing so through membership of the Committee. It meets from 10.30 a.m. till noon prior to each general meeting.

Over the next year one or two incumbents in key positions will be looking to stand down

and hand the responsibilities listed above to others. It is very important that willing replacements be available. —RH

Association Investments

In August, 2008 the Association purchased 2,850 Argo shares at the price of \$6.85 per share for a total cost of \$19,927 (including \$405 for brokerage and GST). The Argo share price on 28 January was \$5.10 and the market value of the Association's holding at that date was \$14,535. This is a decline in value of \$4,987 (25%). Members who are able to attend meetings are well aware of this and it is important to report to all members in this newsletter. The history of the decision to make the purchase is outlined below.

The February, 2007 issue of the newsletter advised members of an in-principle Committee Decision to invest up to one third of Association reserve funds (which then stood at about \$87,000) in the share market as a long term investment. This decision was an agenda item for the 2007 Annual General Meeting. Views expressed by members about this were generally supportive.

The decision to invest in the sharemarket included the requirement that the investment be well diversified and not involve attempts to pick shares that would respond to changes in the fortune of single entities. This required an investment in a managed fund or investment company and it was agreed that the investment would be in Argo, a well known, Adelaide-based investment company which holds a diverse portfolio of shares.

Considerable time elapsed between making the decision to invest in shares, and the actual purchase. This was due to a concern that share prices might drop substantially. And they did! In mid-2007 the Argo share price was above \$8 and the Association bought shares a year later when they had fallen to \$6.85. The Committee's judgement was that this was a good price for Argo shares that were to be held for a long time. Of course, today's price is a much better one for a buyer, but, like all other share market investors, we must live with the price we paid.

It is widely accepted that anyone investing in the sharemarket, and having the realistic expectation of a good return, should rely more on time spent in the market than on the timing of entry to the market. This principle has always been the basis for the Committee's decision. RH

Global Financial Crisis and Pension Schemes

I have had several members approach me recently to express a concern that the current financial difficulties might affect Super SA pensions.

There appears to be a worry that if Government revenues decline at the same time as many Australians are experiencing big losses in their accumulation benefits this might be used as reasons to apply reductions to pensions like those we get from Super SA. If others are sustaining losses why should we expect to escape the pain? This is the way the argument goes, but it is an argument that should cut no ice with any of us.

As far as our pensions are concerned we can, and we do, expect to escape the pain arising from poor investment returns because, unlike people with accumulation benefits, we have no entitlement to the gains made during times of good investment returns.

Based on my knowledge of Australia's superannuation system I am confident that any change to any Australian lifetime superannuation pension which alters its value, and which is made without the agreement of the pension recipient, would require approval of the Federal Government. Neither a private sector employer nor a state government attempting this on its own authority will succeed.

I am satisfied that it will take an extended, national financial emergency to see lifetime pensions significantly altered. If it comes to this I suspect that the 20,000 members of the pension scheme who currently do not belong to S.A. Superannuants might show more interest in joining. RH

----- **Into the Future**

An Association planning meeting was held on January 21 at the Pilgrim Centre. An invitation to members to attend had been issued at the November meeting with the result that the full committee was joined by Bob Abbey, Arnulf Anders, Melody Boxall, Joan Farrow, Pat Harris, Thornton Kowalick, Bruce Killmier and Ray Wood.

The session ran from 10.00 a.m. till 1.00 p.m. with a short refreshment break in between. The agenda items were selected taking account of earlier input from Committee members and others. These were:

- Organisation of our general meetings
- Publicity of our organisation
- Newsletter
- Website
- Liaison with other organisations
- Membership fees
- Roles of the committee members
- Constitution
- Training sessions

More details for some of these topics are given below:

Organisation of our general meetings: questions from the floor are often difficult to hear – a cordless

microphone may be a good investment to enhance members' enjoyment and interest.

A committee member at the door could welcome members and would be able to introduce a new member to other people.

Another idea was to have refreshments available so members can mingle before the start of the meeting.

Publicity: Super SA distributes a flyer on our behalf once a year. We looked at rewording the text to make it clearer as well as at the content and layout.

The group also brainstormed sites that may be able to display our flyer. Our newsletters will be made available at the meetings so members can take one to interest a friend in joining.

Constitution: the group agreed that the Association's method of operation and the Constitution needed to be looked at to ensure that consistency is being maintained between the two. Any proposed changes will be voted on at the 2010 AGM.

Fees: the membership fee was considered to be very small but no need was seen for an increase. However, there was support for the Committee to look at the structure of membership-for-life fees to see if additional age categories were warranted. The possibility of multi-year fees (e.g a five year fee) would also be looked into.

Newsletter: the newsletter attracted positive comments – content was informative, valued and well received. The layout, print size and even the colour of the paper were discussed.

Three alternative names for the newsletter were considered. These were – *Your Superannuation*, *SASI* (stands for South Australian Superannuation Information) and *The Superannuant*. As you can see this last name has been used for this newsletter.

Training Sessions: Some consideration was given to having a general meeting devoted to providing members with a better understanding of government pension schemes and their place in the Australian superannuation system. Or an additional meeting could be held for this purpose for those interested.

The committee will be studying a more comprehensive report on the *Into the Future* planning session at its February meeting. In the May issue you will find another report on the committee's progress.

However any member who would like to voice an opinion is welcome to contact me on 8339 4871 or any member of the Executive.

Christine Venning, Assistant Secretary

2008(Outgoing) Executive Committee

President: Ray Hickman

Vice-President: Clive Brooks

Secretary: Vic Potticary

Assistant Secretary: Christine Venning

Treasurer: Michael Evans
Membership: Willy Hajszan

Committee Members:
Roger Tilmouth, Willy Hajszan, Queenie Inshaw,
Claire Withers

Vale John Reddaway

Not all members will be aware that John Reddaway died in October last year. Although John had been ill for some time his death was unexpected and came as a shock to his family and his many friends.

On the Executive Committee there are some long-serving members but none who can remember a time before the time that John was the Association's Treasurer, Membership Officer and Public Officer. He served in these capacities for at least 15 years and saw the Association grow from an organization with a few hundred members into one with more than 1,500 members. In the conduct of the Association's affairs John was always a source of good advice.

John's long and valuable service to the Association was recognised in 2006 through the award of Honorary Life Membership. He was very pleased to receive this award and counted it as a high honour. In accepting Honorary Life membership John declared his wife Ros, who was present, as the joint recipient. In his acceptance speech he made the point that he had only been able to do what he had for the Association because of her willingness to carry a big part of the workload.

As long as there remain members of the Association who knew John he will be remembered for his good nature and outstanding service to the organization.

—Ray Hickman

Meeting Report: Cancer Council

At the July 2008 meeting, Cheryl Antill from the SA Cancer Council provided members with welcome news. The Council is developing a helpful guide to acceptable levels of fat, sugar, salt etc found in food.

The guide will be small enough to be tucked in a pocket, wallet or handbag for convenience when out shopping. Cheryl cautioned that recommended levels were not always easy to find on food labels. She advised people to look closely at the **Quantity per 100g** column of the label and look for foods meeting the following requirements.

- Less than 600 kiloJoules/100g
- Less than 5 g of fat/100g
- Less than 3 g of saturated fat/100g
- Less than 10 g of sugar/100g
- Less than 120 milligrams of salt/100g

According to Cheryl correct eating habits can help to reduce the risk of many cancers e.g. stomach cancer.

For more information ring the Cancer Council on 131120 or visit their website at www.cancer.org.au.

—Christine Venning

Membership Applications/Renewals

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 recognise who has made the payment.

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

BSB 105-900,

Account number 950313840,

Account name SA Superannuants.

c) New members and electronic funds transfer

if you are a new member paying by electronic funds transfer please also send a membership application form to the Membership Officer so that your necessary details can be recorded.

Membership Form

Cut here and post to:

MEMBERSHIP OFFICER

SA SUPERANNUANTS

P.O. Box 348, Modbury North SA 5092

*Existing Life Members should ignore this section (unless notifying change of address). Membership inquiries should be directed to Ray Hickman, Tel (08) 82644146
e-mail raywen@bigpond.net.au.*

Annual members' 'Paid to' date is on the envelope.

MEMBERSHIP 2009

Renewal 2009/New Application /Life Membership

(Delete as necessary)

Please find enclosed the amount of \$.....OR

I have made an electronic payment of \$.....

For S.A. Superannuants Annual/ Membership for Life

FULL NAME (please print)

.....

ADDRESS (please print).....

.....

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

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

(required only if applying for, or changing to, membership for life)

SIGNED.....

DATE...../...../2009

***Fees:** Annual = \$10. for 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)