

President's Report General Meeting 29 September 2009

Your Branch Committee has been involved in several projects both local and national since the AGM in March.

Your Committee has worked hard with its limited resources as a result of five positions remaining unfilled following the AGM. Unless we get more members to serve on the Committee, the Branch will have difficulty in maintaining the services and advocacy performed for our members. I will talk more about this under General Business.

For the first time in many years the Secretary and Treasurer's jobs are separate. This has presented some challenges and has meant a change in procedures and specifically allocating tasks to each position. Joan and John have been working through this.

Specific roles have been designated for each Vice President. Merv Hazell is responsible for special projects e.g. indexation and Ken Harrison looks after membership. Each VP has a sub-committee to assist him. We receive several newsletters from other seniors organisations plus Government reports which need to be vetted for items which are of interest to SCOA. Neville Carnegie has taken on this role and is designated Research Officer.

The most significant issue over the last 6 months has been the release of the Matthews Report. The outcome was extremely disappointing although in some way not surprising. I will talk more about that later. The other bad news was no pension increase in July due to a negative CPI.

Local Level

- Reciprocal transport – The Queensland Government agreed to full participation in the reciprocal transport scheme from 1 July 2009. This brings Queensland into line with the other States.
- Dental health – we are still pursuing with Queensland Health what improvements, if any, they have made to the excessively long waiting list for dental health check ups; awaiting a reply to our letter sent 6 months ago. A recent newspaper article suggests the situation is worse.
- CSHC – Your Committee sent a resolution to Federal office to
 - (a) have Comsuper pensions not classed as income for the CSHC; and
 - (b) have the income limit for CSHC eligibility indexed annually
- Kindred Organisations – I met with the Queensland President of AIR in June. Along with DFWA we are proposing to set up a Seniors Consultative Forum to work on matters of common interest. This would be an informal arrangement and would not inhibit SCOA's position to act independently on any issue.
- Meeting's with MP's – Garnet Foley and Ken Harrison met with Senator Ludwig's Advisor in April. Merv Hazell and I met with Labor Senator Claire

Moore in July; she was supportive of indexation for all Government pensions e.g. age pension, comsuper etc being the same.

- Regional Representatives – We welcome Robyn Graham as the new representative for the Sunshine Coast and thank her for taking on this role. We are still seeking a representative for Rockhampton.
We have improved the sharing of information with our representatives. Recently, we have sent them copies of the Matthews Report, the PBLCI document and the briefing papers for use when meeting with MP's. This will enable them to be better informed and equipped to serve the members in their area.
We are also sending them a list of the members in their area and their contact details.

- Regional Meetings – Regional meetings have been arranged for the Gold Coast on 20 October and the Sunshine Coast on 22 October. Our Federal President Annette Barbetti will be guest speaker at both meetings.

- Membership – As mentioned earlier our membership continues to decline with a loss of 112 members (6%) since 1 January 2009. In addition there are 183 members who have not paid their 2009 fees and are potential losses. If you haven't paid your fees you can do so today. If SCOA is to survive we need to retain existing members and improve our recruitment to compensate for the inevitable losses through death.

Your Committee has developed an action plan to attract new members. This includes

- letters to the Editor were sent in August to 45 free community newspapers throughout Queensland. These outline the benefits of becoming a SCOA member. Letters have been published in three newspapers with a combined circulation of 72,000.
- providing SCOA brochures at Seniors Expos; participated in two on the Gold Coast in August.
- having Commonwealth Departments include a SCOA membership brochure with letters to staff retiring or made redundant. This is being pursued with the help of the CPSU.
- placing advertisements in Seniors magazines where cost effective.

While these initiatives have had some success, we really need your help. I encourage you to find out from fellow members of other organizations you belong to if they are Comsuper recipients. Get them interested in SCOA and contact the Secretary to send them a membership application form.

SCOA needs to grow its membership if it is to have the financial resources to pursue the many issues (including challenging the Matthews Report) where it is seeking fairer and more just benefits for its members.

- Bulletin – The Bulletin is our primary way of communicating with you; we therefore want to provide the information you need. If you have any ideas or suggestions on topics you want included let a Committee member know.

National Issues

I will now move onto national issues and focus primarily on indexation. Merv will cover other issues in his report.

Matthews Report

The outcome was poor and very disappointing considering the weight of evidence submitted by SCOA, DFWA and ACSPRO backed up by three Senate enquiries all supporting wage based indexation.

The report has delivered a result which suits the Government. In arriving at the status quo recommendation, it is apparent that the report has placed emphasis on information to support CPI indexation and has been silent or used superficial or illogical arguments to not support wage based indexation. The report has flaws which SCOA needs to challenge the Government on.

SCOA is arguably in a more difficult situation than before the Matthews Review in that the Government now has a substantial bank of information from the research done for the Matthews Report.

SCOA' campaign to the Government will need to focus on inaccuracies or omissions so that they can not be refuted by the Government or the media or discredit SCOA.

Your Committee has identified several items which should be addressed by SCOA and these were included in a resolution to the Federal Council meeting earlier this month. The resolution is included in the handout.

One of the key points in the resolution is the net cost of indexation. This is discussed in the report with widely different figures quoted. As one the most important factors in achieving better indexation will be the cost, Federal Office is proposing to have NATSEM (who did the 2002 clawback report) to recalculate clawback. The increase in the age pension taper rate from 40 to 50 cents from 20 September 2009 makes this exercise all the more important as it will lessen the long term net cost to the Government.

The Executive Summary of the Matthews Report contains some points which deserve comment.

- The purpose of indexation should be to maintain the purchasing power of pensions; that is, to protect them from erosion from inflation.
This is our argument; CPI doesn't achieve that.
- There is no case for an employer to be required to update a former employee's retirement income in line with community living standards – that is, to provide former employees with a share of productivity increases.
MP's super before 2004 get it; age pensions still have a comparison to MTAW; why not us? Are we second class citizens not entitled to enjoy the same living standards as other retirees?

- Civilian and Military pensions provide a lifetime benefit. So does the age pension.
- Increased cost of changing indexation would need to be met by the taxpayer. Comsuper pensioners have been and still are taxpayers. If it wasn't for our pensions, the Government would have a greater cost because we would receive the full age pension not partial pensions.

I will discuss this further under the indexation action plan.

Pensioner Beneficiary Living Cost Index

In the 2009 Federal Budget the Government introduced a new index the PBLCI to be used for adjusting the age pensions effective from 20 September 2009.

Without pre-empting the Government's intentions, it seems that they have orchestrated events to deliver us indexation by PBLCI. This would fit in with recommendation 4 of the Matthews Report which the Government has had since December 2008. This left an opening for a more appropriate CPI in the future and PBLCI may be it.

Accordingly, it is important that SCOA is involved in the ongoing development and refinement of the PBLCI. Federal office has already had one meeting with the ABS on this. You will see from the graph in the handout that PBLCI currently is little different to CPI. In the 2007/08 year, CPI was 4.4% and PBLCI was 4.7%.

While SCOA will continue to campaign for wage based indexation, at the same time it need to ensure that PBLCI delivers the best possible outcome in the event that we end up with it.

Merge of PS and Military Super Schemes

This is a proposal being considered as part of the Government's review of industry superannuation schemes.

Your Committee sent a resolution to Federal Office as per the handout. They have written to the Department of Finance and Deregulation and the Australian Prudential Regulatory Authority regarding SCOA's concerns. Federal office will monitor the issue.

Closing

I want to thank the Committee for their efforts and support at a time when there is much to be done but with limited resources.

I also want to congratulate Merv Hazell on his appointment as Advisor to the Federal Executive.