



NELSON BRANCH NEWSLETTER

March 2024

COMMITTEE 2023/24.

Chairman Michael Berry

Vice Chairman Alec Waugh

Treasurer Denis Wastney

Secretary Donna Horn

Committee Members: Tony Greep, Monty Tahwai, Phil Horn, David Cook, David Pluck, Dulcie Carson, Neil Brown

Nelson Branch: nelson@gsa.org.nz

Secretary: Donna Horn

Contact: 021 150 9111

From The Chairman

Hello, Nelson Branch GSA members and spouses. It is my honour to have been selected by the Committee to be your new chairman following the retirement of our previous long serving chairman, John Russell.

Just to give you a bit of background, I worked for 46 years in the railways (under its many names and ownership models) in Wellington. My role was in the structural engineering office, dealing with buildings for the first half of my career and then bridges for the second half. I joined the GSA when I retired and returned to Nelson in 2018.

The GSF superannuation is an important part of my (and presumably your) wellbeing. So, I was keen to be part of the GSA to ensure that my superannuation entitlement is protected. For this reason, we need to keep the GSA strong by recruiting and retaining as many members as possible. I encourage you to take an active part in the organisation by attending the forthcoming Annual General Meeting and to volunteer to for any role in which you can contribute.

Michael Berry
Chairman

Annual General Meeting

The AGM is being held on

Tuesday 11 June 2024 commencing

11.30am at Club Waimea

Lower Queen Street, Richmond.

Followed by a lunch.

The lunch will be subsidised again this year and the cost will remain at \$20.

Please contact Denis at wastneyd@gmail.co.nz or on 545 7299 or 027 616 6071 to register for the lunch. You can pay by internet banking to the GSA a/c No. 03 1354 0027969 00 or by cash to Denis's locked letterbox at 13 Essex Drive, Stoke. Please register by 4 June 2024 so that we can let the Caterer know the numbers attending. If you do not attend, we are unable to re-imburse you as the Caterer will have provided for registered numbers.

Transport to AGM

If you have no transport to Club Waimea for the AGM, would you please let us know, so that we can see if something can be arranged. Please contact our Secretary, Donna, at 0800 888 472 or nelson@gsa.org.nz

Note that the Nelson eBus Routes 1 and 5 travel along Lower Queen Street and stop outside the nearby Oakwood Retirement Village. Use your Bee Card, which if linked to your Super Gold card, will give you free travel in the off-peak.

New Treasurer Required

Denis Wastney has been a stalwart of the organisation and has undertaken the treasurer's role for more years than he cares to remember. It has been over ten years, so he deserves a well-earned rest. Therefore, we will need a new person to take over this vital role. Denis assures us that the role is not onerous and only needs a bit of time every month to make sure that our finances are ticking along. So, please consider offering yourself up for election to this role at the AGM. We will be left in the lurch without a treasurer.

John Russell

The current committee would like to pay tribute to our retiring chairman, John Russell. He is to be congratulated for serving as our chairman for eight years and raising matters of concern to our branch with the National Office. Namely, committee staffing levels of our branch, the matter of spouses being second class by having to re-register upon the death of the annuitant and for getting the attention of the GSA Council that Nelson was not going to just sit and be told what we had to do even if it meant being offside with some of the National Board.

John also pushed for more women on branch committees.

Margaret Palermo

The current committee would also like to pay tribute to our former secretary, Margaret Palermo. Margaret is John's partner and together they formed an effective team that kept our branch running over the past eight years. The secretary's role is the oil that keeps the machine moving and Margaret maintained our branch's momentum. She is the wind beneath John's wings and was always willing and helpful to GSA members. The committee wishes to express our thanks to both Margaret and John for their outstanding service to the Nelson Branch.

Nelson Branch Membership

For your information, here is a breakdown of the makeup of the Nelson Branch as it stood in December 2023. We had 690 members.

The GSA categorises members as an Annuitant, spouse of an Annuitant, surviving spouse of an Annuitant, Pre-annuitant or spouse of a Pre-annuitant. The make-up was:

370 members were the Annuitant

201 were spouses of an Annuitant

110 were surviving spouses of an Annuitant

5 were Pre-annuitants

4 were Pre-annuitant spouses

Households based on Postcode

Nelson city and Hira	100
Stoke	157
Richmond	126
Moutere and Mapua area	17
Motueka	51
Golden Bay	20
Brightwater, Wakefield and Murchison	21

Nelson is fortunate in that retirees move to the district, so our membership is not decreasing by natural attrition at the same rate that is happening in other places. However, it has been projected that our membership will have reduced by 17% in 2027, 30% in 2032 and 39% in 2037.

Recruitment Drive

In view of the above attrition, the National Board is seeking to recruit new members into the GSA. Owing to the fact that no new people can join the Government Superannuation Fund (not the Association), the potential for pre-annuitants (i.e. GSF recipients who have not yet retired) only number 1200 persons nationally. The GSA is trying to attract pre-annuitants but sees the greatest growth in signing-up those people who get the GSF but are not members of the GSA.

In the letter that you received with your *Government Superannuation Fund Cost of Living Advice 2024*, our President, Alan Straker, enclosed a brochure in which he urges those people who get the GSF, but are not members of the GSA, to join. If you know former colleagues who are not GSA members, please encourage them to join the GSA. Tell them to consider the modest \$39 annual fee as an insurance policy.

The other source of membership, that particularly concerns the committee, is the spouse of existing or deceased GSA members. Many spouses do not realise that their membership of the GSA ceases when the GSF recipient dies. Consequently, they need to re-apply for membership of the GSA in their own right. Again, if you know of someone in this situation, please recommend to them to join the GSA.

Please Notify the Secretary of Changes

One way that we “lose” members is when they change address. Amongst the many other items on your mind when you move, please contact Donna, our secretary, to let her know your new address. Please also advise her if any of your contact details change such as your telephone number or email address even when you haven’t moved.

Telephone 0800 888 472 or email nelson@gsa.org.nz

When a member dies, please advise the scheme administrator:

For GSF contact Datacom on 0800 654 731 or email gsa@datacom.co.nz

For NPF contact Datacom on 0800 628 776 or email npfenquiries@datacom.co.nz

You will need to quote the deceased person’s membership number.

Christmas Lunch 2023

The new chairman's first Nelson duty was to address the members at our Christmas Lunch held at Club Waimea. 45 members attended and were treated to the usual selection of filling mains and tempting desserts. No one went away hungry!

We were pleased to host the Marlborough Branch chairman (and GSA President) Alan Straker, his wife, Jo, and committee member Rob Stewart. Alan also addressed the gathering and expressed the challenges that the organisation faces.

Unfortunately, John Russel was unable to attend but we were pleased to make a presentation to Margaret Palermo to thank her for her years of service as secretary.

Combined Meeting of Marlborough and Nelson Committees

The Nelson and Marlborough Branches have always enjoyed a close relationship and one way that this is realised is by an annual combined meeting of two committees. This year Marlborough were the hosts in Blenheim's fine new Te Kahu o Waipuna Library and Art Gallery Building that includes meeting rooms. The Chairman, Secretary and Treasurer attended the meeting and received a warm welcome from the six Marlborough members.

Discussions centred on three topics:

1. Membership – The need to recruit all GSF recipients, the retention of existing members and the need to encourage spouses to join in their own right so that they remain a member when bereaved.
2. GSA matters – The Strategic Plan developed by the Board and the new Constitution required by the change to the Incorporated Societies Act.
3. Branch administration – Issues with the GSA computer system and organisation of activities.

The interchange of views and ideas was invaluable to the participants.

Branch Activities

The Committee discussed activities that could be provided for the branch's members beyond the AGM and Christmas Lunch. It is realised that the publication of this formal newsletter just two times a year precludes the organisation of events at short notice. Our main activity would be meetings of the membership to discuss relevant issues, possibly combined with a meal. To this end, it is recognised that members in the rural areas away from the Nelson – Richmond urban area could feel that they are not being served by the Branch. It is intended to organise a meeting in outlying centres that will be arranged by individual email or telephone contact as appropriate.

The Nelson Branch section of the GSA website will carry notices of events when they have been organised. It is appreciated that the website does not change often but do look at it occasionally as we now know that the Secretary has the ability to keep our branch's page current.

Members are welcome to offer suggestions for activities or venues to the Secretary for consideration by the Committee.

GSA's telephone number 0800 888 472

The GSA quotes the telephone number 0800 888 472 as the number to call with any enquiries. Please note that this number should go through to the local branch secretary. So, when you dial it in the Nelson area it will connect you to our secretary, Donna. If you dial that number in another part of the country, you will reach the secretary of the area in which you made your call. [There may be an issue with it at present].

Introduction from Nelson's new Branch Liaison Delegate

[The Board of the GSA have members who are a Branch Liaison Delegates for a group of branches. John is the delegate for the Nelson and Marlborough Branches. He will be address us at our Annual General Meeting on 14 June.]

Greetings Nelson members.

I would like to begin by introducing myself.

My name is John Beckham. I retired four years ago after 43 years with NZ Post and six years with a clothing wholesaler, but life has not slowed down. I am an active member of the Invercargill Salvation Army (on leadership team and a musician). I also assist my wife in some support roles at the Salvation Army. Also, I am a volunteer driver/companion for Presbyterian Support Southland as well as belonging to the Southern Sou'NZ Men's Barbershop Harmony Chorus (on the committee and librarian), as well as a singer.

In my spare time I enjoy wildlife photography, travel, e-biking, challenging my brain with Scrabble, and spending time with my grandchildren.

Moving on to my GSA involvement. I am the chairman of the Southland Branch as well as being on the board and a delegate to National Council. Within this I am also on the Membership Committee as well as the Branch Liaison Committee.

One of the main aims of the membership committee is to attract new members and maintain a viable membership. There are several ways of doing this which I will share with you at your AGM, the main one being communication. It was encouraging to read last year of the new life that was breathed into your branch. Be encouraged and keep up the good work.

I also want to briefly mention the importance of achieving a quorum at the AGM. As is clearly stated in our constitution, a quorum must be reached or the meeting cannot proceed, resulting in no formal business being conducted. Please note that this number is "members" not just attendees. Unless spouses/partners/guests are actual members of the branch, they do not count. If a quorum is not achieved the national board member in attendance will advise the gathering accordingly.

As regards the Branch Liaison Committee, our main aim is to provide support to each branch, keep them well informed on what is happening within the National body and provide answers to any concerns they might have. I will speak more in this on 11 June.

I would encourage you all if you are able to attend.

John Beckham,
Southland chair and Board Liaison person.

How Good is The GSF Annuity Scheme?

By Alec Waugh, Vice Chairman Nelson GSA.

Any defined benefit scheme is good, and the inflation- proofing is a key element. Our scheme ranks highly.

What does the written record say?

Government Review Committee

Reported on the GSF Scheme (November 1982)

- *The one comparative advantage of cost-of-living adjusted pensions should not obscure the fact that in crucial areas the scheme is deficient and inequitable.*
- *First the scheme contains a strong element of “reward for service” in its benefit structure. Only those who reach retirement receive a real return for the contributions they have made, and the service they have given. Those who leave the fund at an earlier time receive no benefit at all, and for compulsory members who subsequently leave, the scheme is little more than a levy on wages.*

Towers, Perrin, Forster, Crosby

Melbourne Consultancy firm (1989)

“The popular perception of the GSF as particularly generous was exaggerated. Far from being the best of the NZ schemes, the consensus was that it ranks towards the bottom of the top quartile.”

Rewarding Service A History of the Government Superannuation Fund by Neill Atkinson (2002)

Introduction

“Pensions came to be recognized as an essential element in a contract between the state and its servants, in which employees traded the generally higher incomes in the private sector (and their inability to gain a share of the capital) for job security and other benefits. The provision of Superannuation assisted in the recruitment and retention of staff, facilitated the operation of effective retirement and promotion systems, and helped to combat the evils of corruption and patronage.”

Page 65

“Little had been done to address the reasons why many women were reluctant to join the GSF - the scheme’s inflexibility towards employees whose careers were interrupted, and its unfavorable withdrawal provision.”

Page 80

“Most of the major criticisms focused on the scheme’s inflexibility, particularly about withdrawal benefits, portability rights and early retirement provisions”

Private Pensions in NZ. Can they avert the crisis?

Book by Susan St John and Toni Ashton (1993)

“While the GSF has been often regarded as the most generous of schemes, it offers generous benefits only to those remaining in the scheme for more than 10 years. There are many private company schemes which have offered better early withdrawal benefits and better death and disability cover”:

My own thoughts on the GSF scheme

Over my many years with the GSA, I have met several members who project the view that they feel in a privileged position with a “GSF annuity,” some even apologetic about their retirement annuity. Others would like the ammunition to answer invalid perceptions from the public over the GSF retirement scheme.

Do not apologize for having the commonsense to invest in the GSF pension scheme! It is not gold plated and it has a variety of weaknesses, but it remains a solid retirement income scheme, significantly advantageous for those with a long career.

Every GSF member has been a partner with their employer in a superannuation contract which they, as the member, pay a part of their salary each fortnight, often for many years. In return the Government provided a financial return using a formula to reward time in the scheme, contributions made, investment return and employer contribution.

Government met their employer contribution responsibilities, only as they fell due (unfunded liability) while using contributions etc. to assist Government spending in other areas. This has been a tremendous source of funds for the Government, a key benefit for them!

The GSF pension was an essential part of the contract between the state and its servants, you as the employee traded the generally higher incomes of the private sector and often the opportunity to gain off private capital, for the job security and pension benefits of Government employment.

How Safe is the Pension?

J H Falloon, National Associate Minister of Finance
(30 March 1982)

“The provision of superannuation for its employees is regarded as a binding contract.

Professor Bill Hodge
On 6pm TV One News (4 November 2009)

“The Government cannot interfere with contractual arrangements.”

A History of Government Superannuation by Neill Atkinson
_Page 83 – Rewarding Service (2002)Government assurance 1982

“The government assured state servants that “The provision of superannuation for its employees is regarded as a binding contract.”

The GSF annuity scheme is solid, safe, and a reward for service.

*Rewarding Service: A history of the Government Superannuation fund, Neil Atkinson

*Safeguarding Super: The Government Superannuitants Association, A centennial history 1920-2020 Roger Openshaw

Annual Financial Report Nelson Branch 1st April 2023 to 31st March 2024

31 Mar 2023	31 Mar 2024	Note	Explanatory Notes
\$	\$	<u>Income</u>	
5,666	5,740	Subscriptions (deducted GSF)	Amounts recd 4 weekly
372	268	Subscriptions (deducted NPF)	Amounts recd 4 weekly
74	112	Subscriptions (paid direct)	Received annually
890	1,300	Functions	Total amount paid by members
3	139	Interest	Gross interest received (cash/On call)
0	0	Donations	Donations/Sponsorship
<u>7,005</u>	<u>7,559</u>	Total Income	
		<u>Expenditure</u>	
1,490	3,278	Functions	Social function's part paid by members
170	64	Communications	Telephone, Postage, Laptop, maint etc
829	902	Organisation	Committee meetings, travel, printer
2,520	2,020	Office Function	Rent paid for office functions
60	60	Review of accounts	
462	473	Newsletter Printing	
0	34	tax paid	
<u>5,532</u>	<u>6,831</u>	Total Expenditure	
<u>1,473</u>	<u>728</u>	Surplus / (deficit)	SECRETARY
31 Mar 2022	31 Mar 2023	Financial position as at 31 March 2024	
21,277	22,869	Accumulated funds 2022/2023	
1,473	728	Add surplus or deduct deficit	
119	291	Term Investment interest. (Term matures 19 April 2024).	
<u>22,869</u>	<u>23,888</u>		
		Represented by assets	
11,263	3,289	Cash Account	
0	8,702	On Call Account	
11,606	11,897	Term deposit expires 19 April 2024	
<u>22,869</u>	<u>23,888</u>	Total cash/bank	
0	0	Accounts receivable - Any amounts due at year's end	
0	0	Less Liabilities	
0	0	Less Accounts payable	
<u>22,869</u>	<u>23,888</u>		

Term Investment with NBS = \$11,897 @ 5.5% expires 19 April 2024.

SUBJECT TO REVIEW

CHAIRMAN