



The Rotary Club of Brisbane Inc.

The Future of Rotary
IS IN YOUR HANDS

12 October 2009



The Rotary Club of Brisbane Inc.

PO Box 687
Kenmore Qld 4069

Meets 4th Floor
(Edinburgh Room)
of the Brisbane Club
Post Office Square
241 Adelaide Street
Brisbane

MONDAYS

12.15 pm – 1.45 pm

OFFICERS

President	Mike Mauger
President Elect	Bas Veal
Imm Past President	Michael Kelly
Secretary	Brian Carss
Treasurer	Cameron Bishop

District 9600
Club Number 17787
Founded 29 May 1923

District Governor
Walter Buchanan

Rotary International President
John Kenny

Vice President's Message

This last week the Rotary Club of Brisbane was in high activity mode.

We have been hosts to our sister club Taipei Tatung led by TY and Medicare. There was the exchange of presents when we met the delegation at Brisbane domestic airport on Friday before they left for the Gold Coast.

Members met up with our sister club members when they turned up for lunch at the Brisbane Club on Monday. Some members attended the banquet that the Taipei Tatung members put on at the Landmark Restaurant at Sunnybank.

That was a night of appreciation of our red wine and toast after toast. Speeches were made and much good fellowship was enjoyed by all present.

The Lord Mayor, not to be out done, put on a wonderful civic reception for the visitors who departed next day for Taipei.

They are great ambassadors for their country and have invited club members to their anniversary celebrations on 26 March 2010.

Michael Kelly has volunteered to organize the visit.

Vice President Bas Veal

What is Rotary Club of Brisbane?

A World of Service

The Rotary Club of Brisbane Inc is a group of business and professional women and men of varying occupations who meet weekly at luncheon when we enjoy the knowledge and experiences of a guest speaker and discuss matters of interest to Rotary in general and to the Club in particular.

The purpose of our fellowship is to improve our community, to work for higher ethical standards and to promote better understanding among peoples of different nations. These goals are pursued in a variety of ways.

Because of the scope of its membership, the Club is especially attuned to the nature, needs and potential of our community and of the businesses and professions that we represent as individuals. The Club tries to analyse the unique problems and opportunities presented by our community and to deal with them in appropriate ways, employing the unique skills and capabilities of our members.

A Brief History of the Club

The Club was chartered on 29 May 1923 with a membership of 16.

The Club has sponsored the Rotary Clubs of Ipswich, Bundaberg, Toowoomba, Maryborough, Lismore, Fortitude Valley, South Brisbane, Brisbane North, Brisbane West, Brisbane Mid-City. In 1993, to celebrate the 70th anniversary of the formation of the Club, the Club donated to the South Bank Corporation an engraved plaque which depicts scenes of different stages of Brisbane's development.

Links

**RCOB Member Speaker
List 2009/2010**

<http://www.brisbanerotary.org.au/MemberSpeakerList.html>

District Newsletter

<http://www.brisbanerotary.org.au/bulletins.html>

Maintaining Membership

The Rotary Club of Brisbane has developed a "Join Us" brochure.

These are available at the desk on registration each week.

Make sure you take a hand-full and pass them onto your colleagues and friends when you invite them to join Rotary.

GUEST SPEAKERS

Monday October 12 2009

Fellowship Meeting

Richard Longford

Of

Brisbane Youth Service

Richard will give us some background knowledge that will assist with the Rotary Club of Brisbane BYS Project



Meeting Review 5th October 2009

The guest Keynote Presenter was Rosemary Vilgan, CEO of QSuper.

Rosemary addressed the question "The cost of pensions especially in Australia is an ever increasing burden on the government purse. As a result, we are urged to invest in superannuation aided in part by the 9% employer contribution. However, the GFC has shown that is not a foolproof solution. What is the future for superannuation and what is the prognosis for risk minimisation?" Rosemary opened with a general note that this information is for general purposes only, without taking into account your financial objectives, situation, or needs, so it may not be appropriate for your circumstances.

The Basis for Superannuation in Australia

There are three pillars on which Superannuation is based

1. Taxpayer funded means-tested age pension;
2. A minimum level of compulsory employer superannuation contributions; and
3. Voluntary private superannuation and other savings.

Trends

\$1.08 trillion super savings
 - Retail: \$306b
 - Industry \$191.1b
 - Public sector \$151.6b
 - SMSF: \$ 332.3b (increasing sector)
 - Corporate: \$54.8b (decreasing sector)
 - Other \$41.1b
 10.8 million working Australians (@30/06/09)
 91% of employed persons contribute to super (APRA 2007)
 \$23,700 average balance (APRA 2007)
 Fees: Not for profit average 0.93%; Retail average 1.97%, All fund average 1.22% (@ May 2009 Super Ratings)

Issues

Adequacy – 9% Vs. 15%
 86% of members believe the age pension won't be enough (Financial Literacy Foundation 2007)
 73% say employer funded super won't be enough (Financial Literacy Foundation 2007)
 Inertia/opportunity cost – saving now at the expense of buying now

- Declining workforce
- Life expectancy long – people working harder
- Transition to retirement becoming more popular
- Fees and returns data provided to members

Henry Taxation Review of Taxation

Terms of Reference – constraint – no longer tax free > 60
 Interim report in May (final end 2009)
 Recommended retain SG at 9%, increase Age Pension age to 67 and align preservation age

What was recommended?

1. Age Pension
 Increase rate especially for singles
 Income test made steeper

Access to age 67
 Encourage retirees to work part time (half first \$500 earned income not counted in income test)
 2. Super
 Halving of concessional contributions caps
 Temporary reduction in con-contributions
 Halving minimum payment for allocated pensions

Reactions to the Henry Review

Has Government changed its mind on super?
 Is it still the preferred retirement savings vehicle?
 How much tax concessions should it get?
 Floor for low income – but count super and age pension costs
 Ceiling for reasonable tax concession cost
 Do continual changes affect confidence?
 Contribution limits
 Floating increase to preservation age
 Industry modelling*
 SG at 12% will provide adequate retirement income for average income earners and below anyone above that needs to self-fund i.e. need incentives
 Treasury modelling
 SG at 9% will provide adequate retirement income for average income earners and below anyone above that needs to self-fund but assume voluntary conts will continue despite reducing ability and incentives to do so
 (* Source ASFA 2009 Submission to Henry)

What happened to the market?

US meltdown, world economy followed
 The average superannuation fund decreased by 12.69% (Source Super Ratings universe of funds 2009)
 Median balanced fund option increased by 6.8% from July – Aug 2009 (Source Super Ratings universe of funds 2009)

Where are we?

The economy, and therefore investment markets, has always moved in cycles. Current talk is that the cycle has "bottomed"
 Causes are often different but there is nothing strategically different this time
 Economic policy is at full throttle to stimulate recovery
 This economic performance usually flows through to investment markets in a predictable way (long term)
 • Timing is unpredictable and this makes some people jump to the conclusion that "this time it's different" when actually the factors that define this part of the cycle are often very similar.

Conclusion

- Super is a moving fast – don't expect otherwise
- Government is always politically cautious about changing the past
- Need to deal with demographics
- Need to have confidence in stability of structure
- More reliant on investment markets and therefore live with cycles.

The visit by our sister-club Taipei Tatung was very stimulating, with the events on Sunday evening and the Lord Mayor's Reception on Monday evening as well as the visit to our Club for lunch. A total of 56 Rotarians and partners attended the lunch.

CALENDAR

A Delegation from our Sister Club Taipai Tatung will be visiting with us at Brisbane Rotary Club

When:

ROSTER

Monday 12 October 2009

President	M Mauger
Chairperson	G Cause
Set Up	B Cunningham
Put Away	J Puttick
Raffle	P Little
Visitor Register	R Walters
Fellowship	M Stephens
Attendance	B Esler G Whitmore

Monday 19 October 2009

Acting President	M Mauger
Chairperson	M Evans
Set Up	B Veal
Put Away	A Sandy
Raffle	R Buchanan
Visitor Register	C Muir
Fellowship	L Robinson
Attendance	B Esler G Whitmore

DATECLAIMER

Keynote Speaker 30 November

John Quinn

Director, Sustainable Industries Division, DERM

"What programmes exist or are planned to explain to the General Public what sustainability is and what can they do and what they can expect Commerce and Industry to do to enhance it?"

2010 District Conference

When: 26th March 2010
 Where: Pelican Waters

Please forward any dates or articles of interest that you would like to see included in future Bulletins to the Club Secretary at

secretary@brisbanerotary.org.au

ROTARY GRACE

O Lord and giver of all good

We thank You for our daily food

May Rotary friends and Rotary ways

Help us to serve You all our days.

FOUR WAY TEST

Of the things we think, say or do:

1. Is it the TRUTH?
2. Is it FAIR to all concerned?
3. Will it build GOODWILL and BETTER FRIENDSHIPS?
4. Will it be BENEFICIAL to all concerned?