



# Association of Independent Retirees

## *A.I.R. ACTIVE*

### Keeping Independent People Informed

October 2009

## SUPPORTING THE RATIONALE FOR CHANGE

### 1. Where is the support for the Board restructure?

This proposal for change began with a recognition, in late 2007, that there was a need to have a close look at the way we were operating. The reasons for this were well covered at the time and there was wide consultation. That process led to the current proposal put by your Board. The reasoning for this has been well documented and distributed through Divisions and numerous publications.

Members are interested in the operations of the Company and there will never be complete agreement on any proposals whether they be for major change or even small policy matters. Where Division representatives have visited and addressed branches, to answer questions and to explain the reasons, there is a better understanding and acceptance of the proposal.

At the August Board meeting, the Division representatives gave feedback from the branches. That information, available in the Board Report, distributed to Divisions and branches and also available on the website, indicates there is support for and understanding of the Board restructure proposal

In the early stages, incorrect information was being distributed via emails, there was much mis-information and fanciful speculation. The Q&A on the website and in *AIR Active* have helped to maintain consistent information. Despite this, some members and branches are just plain tired of the prolonged and over-discussed matter.

If you support a strong association going into the future you will support this proposal.

### 2. Evidence from the members

Some members with a committed interest in A.I.R.'s existence have shared their constructive comments. These are usually centred around declining membership, lack of awareness amongst the public of A.I.R. and a desire by members for outcomes, in other words, A.I.R. needs to deliver on its advocacy.

That's the core business of A.I.R., that's how the organisation is judged. That's why many members were pleased with the media coverage in 2008-09, and the policy successes during that time. Much of that information is disseminated through this monthly national e-newsletter, *AIR Active*, yet this information does not reach all the members. The *Independent Retiree* magazine does reach each member, where A.I.R.'s Government submissions are reproduced; alas, the later follow-up, from those submissions, may be missing.

Similarly, members do want to be involved in submitting policy issues to their Division and national policy committee, and they do want feed-back. The members are not interested in the reasons for any delays or deferrals, resulting from processing requirements.

Whilst some members have voiced their opinions for a return to the white picket fence idea of an incorporated association, there is no financial evidence that it is less expensive, nor is there any evidence from other organisations for such an idea. The statement from Geoff Trew and Don Carlos should be

read by the few who are proposing such an opinion.

It is not the change to a company or any other "easy scapegoat" that has led to the decline in membership. We need to be delivering outcomes and to do this we need a dynamic, focussed Board supported by active Divisions delivering timely information, support and leadership to active branches. Membership will grow from success in advocacy and united direction.

The interested members have shared their views with the organisation. Other members have made their wishes known by not renewing their membership. The National Board needs to listen to the members.

### **3. Evidence from the National Board**

The "golden plateau" for A.I.R. occurred in about 2001-2003. By late 2006, the Member Services Plan was an awakening consultation for the future direction of A.I.R. The Board restructure proposal started in late 2007, continued through 2008 and into 2009, involving the branches and Divisions. There has been adequate time for the alternative opinions to be heard.

For members interested in the work of the Board, reports which give an accurate summary of the activity of Directors are available after each Board meeting. These Board Reports are sent to branches, and are available to each member on the website. Here each member can make their own assessment of the work undertaken to direct the Company.

The Policy Book is now available on the website; the question could be asked if members and branches are all aware of these statements. What progress reports do members receive after the National Pre-Budget Submission has been lodged about December?

Policy development work, the very core of A.I.R.'s existence, should be an on-going activity, pursued at branch and Division levels. And whilst branches and Divisions do lodge policy submissions, as evidenced in the Policy Book, is this an activity which is promoted, planned and provided for the members?

Holding two important offices in the Company is untenable; it requires dedication and commitment to a heavy workload. This could also be interpreted to mean that members accepting the dual positions are unprepared and may lack the understanding of the demands, required of them, for this work. Some comments from those who have held the dual positions of Division representative and Division president are available on the website.

We need to move beyond the readiness to be grateful to those who are prepared to stand for leadership positions and assertively seek out those members who have the skills and experience to take us forward. If members with those skills are not prepared to stand up then perhaps the time for our association is past. We should not accept mediocrity.

The National Board cancelled the General Meeting in August, following comments from members that there was a level of unpreparedness and further information was required. Some information has been posted on the website, more in the *Independent Retiree* magazine and discussion at branch meetings. Have all the Division representatives undertaken their representation work and visited the branches to keep the members informed?

The action by the Board, to cancel the August meeting, was not a sign of indecision - it was an act to allow the best possible opportunity for communication and understanding and it deserves to be seen in this light.

### **4. What is the objection?**

A minority group prefer only Division representation on the National Board. There is no evidence that Division representation will deliver on national issues, yet the view persists. We can't manage an organisation based on fear and suspicion. If we can't trust fellow members to uphold our interests unless they live in our state, then our association is in deep trouble.

It is rightly said that it is difficult to get sufficient members to stand for leadership roles yet there are those who would limit the potential pool of talent and experience by insisting that each state has to be

represented. It is a reality that larger Divisions will have the widest talent pools. It is unrealistic for a national organisation to limit access to this pool by applying a state by state selection process when the basis for this view can only be a lack of trust. None of this says that an open election of Directors will not deliver a widely based Board. It simply says that the decision should be based on talent and willingness to serve.

If the national organisation is opening voting to each member, and the alternative proposal has voting for a Division representative by the Division membership, then again, there is a restriction on the members to express their voting preference for the preferred candidate.

Much has been made that A.I.R. is a "grass-roots" organisation, except that the practices do not support that claim. Currently all members do not vote, nor do their views reach the full membership, nor does every member have a say in the policies; how does the organisation canvass the views of all members to be a true "grass-roots" organisation?

An excellent measure of an organisation's attention to the "grass roots" is the ability for every member to vote for its Directors and the Board's proposal offers that opportunity. It will be said that a voter will only know a candidate from what is said in the description they provide with the ballot papers. This is true but it is also the case with any other organisation that follows this process. We need to trust in the good judgement of our members.

### **5. Short-term and long-term expected outcomes**

This question has been raised by members: will a restructure deliver the turnaround for the national organisation? Certainly, electing Directors who have the skills and interest to be Directors will deliver a different approach to the company's direction. Too much time is devoted to micro-managing the company rather than the work being implemented by the Divisions.

There is no magic bullet for success. Changes alone will not deliver success but changes that allow for a Board that can look to the future

with vision and cohesion opens the door for success.

Maintaining a smaller Board of Directors is not only consistent with modern practice it will also reduce company expenditure.

Modernise, revitalise and position the company for the future retirement environment should be the expected aims.

**Theresa Kot**

**National President**

29 October 2009

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## **2010 A.I.R. National Conference – Now to be Held in Launceston**

Tasmania is delighted to be the host for the 2010 National Conference and the four Tasmanian branches look forward to welcoming many members from interstate.

Due to a change in committee structure Hobart Branch has made the decision to hand the responsibility for running this conference to their Northern counterparts and the Board recently announced the venue will now be the Grand Chancellor Hotel in Launceston, with the host branch being Northern Tasmania and the host Division, the Tasmanian Division.

### **Important dates for your diary - 2010**

#### Monday 8 November

Afternoon registration before 5.00 p.m.

Official Opening and Welcome Function

#### Tuesday 9 and Wednesday 10 November

Conference, Membership Forums and Workshops

Conference Dinner Wednesday evening

#### Thursday 11 November

a.m. AGM (Delegates)

The conference venue is centrally located in the City of Launceston and a range of accommodation will be available from international hotel standard, motels, bed and breakfast, historic cottages and self contained units all within walking distance of the venue. The Grand Chancellor is in Cameron Street a short walk from the century-old City Park, The Design Centre, boutique shops and quality award winning restaurants.

The Launceston Travel & Information Centre can book or answer any questions you have on travel, touring and accommodation. Call them now on FREE CALL **1800 651 827** or visit the web site [www.visitlauncestontamar.com.au](http://www.visitlauncestontamar.com.au) November 2010 will be a busy time in Launceston. We recommend you book early.

Launceston City has a historic place in the Commonwealth as this area was the third settled after Sydney and Hobart. Situated at the head of the beautiful Tamar Valley, noted for its quality Tasmanian wines, the City's unique lifestyle is a blend of culture, history, nature, creativity, adventure and entertainment.

The Conference Committee is excited about putting together an interesting programme with a blend of business and social activity. Start planning your 'overseas' vacation now - Launceston Airport is serviced by Qantas, Jetstar, Virgin Blue and Tiger Airlines or alternatively bring your own vehicle on the Spirit of Tasmania arriving into Devonport (just an hour's drive from Launceston). Tour our diverse, beautiful State before or after the conference and visit Hobart, the fabulous East Coast, the pastoral North West Coast and rugged West Coast.

Updates on conference activity will soon be available on the AIR website [www.independentretirees.com.au](http://www.independentretirees.com.au) and in forthcoming issues of the Independent Retiree.

Sue Shea, Chairperson  
2010 Conference Organising Committee

*Launceston 2010 –  
“Yes We Can!”*

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## **New A.I.R. Self Managed Super Funds Interest Group Formed**

A new Self-Managed Superannuation Funds group has recently been established to work alongside the Retirement Incomes Research

Group. The SMSF Group has 25 members and is chaired by Bill Chidzey, a member of the Gold Coast Branch who has administered his own SMSF for eight years.

Most action will take place on the members' only section of the A.I.R. website: [www.independentretirees.com.au](http://www.independentretirees.com.au). You will find the SMSF Group as a Category and we are putting new articles on more frequently.

I have had a query from one of our members trying to obtain information on experience with setting up and using a corporate trustee. As it happens I set up one about three years ago and it has proved to be the best arrangement for us.

I have placed my experience in an article on the SMSF Group website including how I went about setting one up. I would like other members to send me their experience by email and I will add it to the article on the website (you will know that material has been added because the date of the article will be changed when additions are made.) This will be a good way to communicate experience to all members.

If you have any other issues please let me know and I will set up a similar discussion article.

For those interested the final submission on Governance, Phase 1 of the Super Systems Review, has been sent to the Review and is on the Superannuation Category of the members' only website. Access to the Phase 2 Issues paper and submission is also on that website. Both submissions contain information on SMSF issues and your comments will be appreciated.

Phase 3 will be focused on SMSFs and the Issues paper will be released on 14 December, and members will be advised when it is available.

I look forward to any comments you might have on the above.

Barry Ritchie  
Chair, RIRG

October 2009