Don’t be Shocked by Negative Super Returns

After a turbulent year in the investment markets in 2008 and a never ending flow of bad news from around the world, it looks like there are volatile times still ahead of us in 2009.

The global market turmoil has had far reaching effects and, to cut a long story short, here’s what happened. The “sub-prime” or financial crisis had its roots in the US mortgage market back in 2007, with high default rates on “sub-prime” mortgages. The effects of this quickly spread around the world leaving no market unaffected, including Australia.

The negative return for the 2008 calendar year for the Australian sharemarket was the worst result in the history of the market, a massive -43%. Australian super funds may face more months of turmoil and negative returns, so we all need to be prepared for some more tough times ahead in 2009. Most super funds have already sent out their half-yearly statements. The short-term negative returns may have come as a bit of a shock for many, but it is important to remember that super is a long-term investment and many average long-term investments are still in positive territory.

We are now more aware than ever that any investment involves some risk, including money invested in super, and we should be prepared for fluctuations in our super balance. It is important to know your risk profile and follow this when it comes to your future planning. If you are a risk averse person, you may not want to invest your money in a high-growth super investment option but may consider a more conservative option if this fits with your investment strategy.

Having long-term goals is important and sticking to them, even more so. Don’t make any panicked decisions during short-term market movements because history has shown that they should bounce back and you could miss out on future gains. It is important for Local Government employees who are concerned about how market volatility is affecting their investments to seek expert financial advice before making any decisions.

No one likes negative returns but they should be kept in perspective and looked at in conjunction with long-term results. Also keep in consideration the favourable tax advantages super offers, including when you turn 60, where you are able to get your money back tax free.

Although the market may be volatile for some time yet, the Quadrant Trustee will continue to monitor the situation closely. With the strength of the Australian corporate sector, greater regulation of the financial services industry and the prospect of a further chapter in the super cycle resources boom when the Chinese and emerging market economies start growing again, this should ensure some brighter times ahead.

For further information, visit www.quadrantsuper.com.au.
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You should consider whether the product is right for you and read the Product Disclosure Statement (PDS) before making any decisions about Tasplan. Please call 1800 005 166 to obtain a copy of the Tasplan PDS.

The Importance of Managing Career Change

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In today’s business climate, everything is changing. Whether the catalyst for change is the down-turn in the economy, or new business strategies to ensure continuous improvement, (such as the reform to water and sewerage services), it is critical that your employees are a part of the change process, to ensure that the changes implemented are successful.

“When the last of the debris of this economic catastrophe finally comes crashing down, managers will be left to pick up the pieces. Their immediate challenge will be to face the crisis of confidence and breach of trust that will be felt by employees”. Leo D’Angelo Fisher, Business Review Weekly, 23-29 October 2008. Although D’Angelo Fisher is specifically commenting on the economic hardship, his statement is true for any period of change.

To achieve a successful career transition, individuals need to operate from a platform of discovery, hope, self-confidence, purpose and perspective. When people come out of an organisation, we know that they experience all the normal feelings of loss. There is a sense of loss of direction and orientation, of the protection afforded by former status and organisational structure, as well loss of the predictability and comfort of knowledge of “the way we do things round here”.

The technical work is necessary, but it is not sufficient. It is the adaptive work that is the determinant of a successful transition. An environment must be created that enables the individual to carry out the adaptive work he or she needs to do, at the very time when work avoidance can be likely. Embracing a change process can have significant benefits:

To your clients:
• Protects the brand and reputation of your business; and
• Retains and protects existing and new business relationships;

To your business and employees:
• Maintain levels of productivity, morale and motivation with employees during the change period and thereafter;
• Mitigates retention issues;
• Reduces the risk of sabotage to product and personal injury;
• Minimises potential industrial issues; and
• In the event of retrenchment, ensures a dignified and appropriate separation for the individual.

To managers:
• Minimises stress; and
• Provides support and training to manage delivering the messages.

An effective change approach should allow for the scoping and collaborative tailoring of services and processes. There are a number of tactics you can use to assist employees to adjust to a changed environment that supports and educates them, which in the long run, benefits the business. These tactics include:

Organisational change and review policy
Stating in the form of policy how your Council will manage change, enables a degree of transparency that alleviates anxiety and demonstrates to employees how committed your Council is to managing change well, with fairness and ethics.

Employee Needs Analysis
Determine what individual requirements are useful to help select individuals for transfer or redundancy.

Career Focus and Professional Development Workshops
Such workshops assist employees to adjust to the change, constructively plan and take the next step whilst building career resiliency.

Career Transition Programs
By engaging a career transition program that not only focuses on supporting the individual that needs to be transitioned out of the organisation, but also assists with the pre-work and management training, the brand of the Council is protected, and remaining employees maintain motivation.

Career Management Programs
These assist employees on a number of levels, such as helping them in making a career decision (“Do I stay, or do I go?”) and helping them to align their career with the Council’s objectives.

With the informed and positive outcomes this approach drives, perceptions of the impact of change improve, both at the individual and business levels, including productivity, retention, morale and market reputation.

For more information contact Vicki Dodson at Searson Buck on 03 6333 3823.
Children are the future of Tasmania but they are also our most vulnerable road users.

We know that Tasmanian road users want to comply with school speed limits to keep our children safe.

The State Government is supporting the community in this through the installation of Electronic Speed Limit Signs (ESLS) to improve safety for students crossing the road outside Tasmania’s schools.

The aim of the new Electronic Speed Limit Signs is to boost the visibility of school zone speed limit signage and to lessen confusion for motorists as to exactly when the speed limit operates.

The signs will only operate only at times when children are entering or leaving school and the speed limit is in place. When the school zone is not operating the sign will be blank and the regular sign posted speed limit will apply.

The new electronic speed limit signs incorporate a high intensity LED display to ensure optimal visibility in all light conditions, minimal maintenance, and low running costs.

The signs operate using a wireless communications system so that each sign can be monitored and adjusted remotely. The signs self-diagnose and report on their functionality to ensure that they are operating correctly.

If there is a fault with the sign, technicians from the Department of Infrastructure, Energy and Resources will be alerted and they will then visit the site to fix the fault.

By July 2011, all schools with a 40 km/h speed limit zone will be fitted with a set of electronic speed limit signs.

The Department of Infrastructure, Energy & Resources has undertaken consultation with the Department of Education, the State Schools Parents & Friends Association, Catholic Education Office and the Independent Schools Association to agree how the prioritisation of school zones will work.

School zones have been prioritised into regions and will be implemented based on potential risk to children at the schools and taking into account relevant site specific issues.

Some of the factors considered are:

• road function including traffic volumes;
• age of the children within the school zone;
• the numbers of children who cross the road in the school zone;
• presence of an adult crossing guard; and
• any site conditions that may increase or decrease safety.

Research, nationally and internationally, has shown that the signs are effective in reducing vehicle speed outside schools during the operation of the 40 km/h school speed zone.

Reducing your travelling speed will dramatically increase the chance of a child surviving a collision and will help safeguard the future of our state.

The implementation of Electronic Speed Limit Signs (ESLS) at school zones is a key initiative of the Tasmanian Road Safety Strategy 2007-16, under its 'Safer Travel Speeds' strategic direction. The Strategy is funded by your Road Safety Levy.