



## Australian Association of Former International Civil Servants (AAFICS)

**VOL XXIII, No. 2**

**NEWSLETTER**

**DECEMBER 2012**

*AAFICS represents retired officials from the United Nations and its agencies and funds. Former officials of other international organizations are also welcome to become members. We offer a link to other UN retirees through occasional social events, as well as contacts for information and advice about retirement in Australia. We are affiliated to FAFICS in Geneva, the Federation of 52 associations similar to ours and an essential source of advice on pension-related issues and on after-service-health insurance schemes. This newsletter has been printed and posted with funds from the AAFICS membership.*

### ***Dear AAFICS members,***

Best wishes to you all for the Christmas season and may 2013 be a year of peace and good health for us all!

AAFICS members have met for lunch recently in Maleny QLD, Melbourne VIC, Perth WA, Sydney NSW and Canberra ACT. A photo of the Maleny gathering organized by QLD coordinator Mike Sackett is shown below with the names of the participants – all looking cheerful after a Bavarian Oktober Fest lunch.



At the AAFICS lunch at King Ludwig's Restaurant, Maleny, Queensland on 10 October 2012 were: Graham and Jeanette Davey, Gwen de Silva, Mal Duthie & Maureen Yates, Bill and Lyn Edeson, John & Doris Elfick, Mary Johnson, Ian and Monica Lynch, John & Anita Powell, Ken & Tina Regan, Mike and Eileen Sackett, Barbara & Roy Stubbs

AAFICS has increased its membership to 285. The UN Pension Fund tells us there are 567 UN beneficiaries in Australia. Of these 228 have chosen to have their pension paid on the Australian local dollar track which stabilizes the amount received by tying the rate of exchange to the one prevailing at the time they retired. This year, those on the US dollar track have received a cost of living adjustment based on New York, and those on the Australian dollar have received an adjustment based on the Australian CPI. Either way, cost-of-living adjustments have protected the purchasing power of our pensions, to some extent.

We are re-launching our "dialogue" with the Government – Treasury and Foreign Affairs – following Australia's successful bid for a seat on the United Nations Security Council. Perhaps the Australian Government might be in the mood to listen to Australians who have actually worked for the UN?

With best wishes to you all and please, stay in touch.

AAFICS president, treasurer and coordinators Mary, Tom, Christine, Lorraine, Margaret, Monina, Mike P., Mike S., and Stephen.

*Representing Retirees of the United Nations in Australia*

UN & its Agencies -EPP0-FAO-IAEA-ICGEB-ICCROM-ICAO-ICC-IFAD-ILO-IMO-IOM-IPU-ISA-ITU-ITLOS-  
UNDP-UNESCO-UNIDO-UNOPS-WFP-WHO-WIPO-WMO-WTO-WWF



### **Advice to AAFICS members**

There have been a number of cases in 2012 of payments by the UN Pension Fund in New York not reaching the bank accounts in Australia of some UN retirees here. In nearly every case it has turned out that some small detail of the Australian bank account was incorrect or missing, such as the 6-figure BSB number. Sometimes because of bank mergers or branch closure in Australia the BSB number has altered. Just to remind you, the Bank State Branch (BSB) number is a numerical code that identifies an individual branch of a bank in Australia and is made up of three parts – two numbers for the bank, one for the state and three for the branch. The UN Pension Fund in New York uses JP Morgan Chase as its clearing house for sending the payments. JP Morgan Chase's system cannot cope with any inaccuracy in payment instructions.

If your usual monthly benefit does not appear in your bank account, do not waste any time – send an airmail letter to the UN Joint Staff Pension Fund, PO Box 5036, New York, NY 10017, USA, enclosing a UN Pension Fund Form PF 23 Change of Payment Instructions (downloaded from the UNJSPF website). Even if you believe there is no change to your banking details, please have the PF 23 form checked by your bank branch. It is not much use sending an email, because for reasons of fraud detection, the UN Pension Fund will not take action until it has checked your signature on the PF 23 form.

If you encounter any difficulty, please let your AAFICS State Coordinator know and we will help contact the Pension Fund.



### **United Nations Day 24 October 2012**

*Many AAFICS members take part in commemorations around Australia to mark United Nations Day. AAFICS NSW always lays a wreath at the Martin Place Cenotaph in Sydney, and this year it felt particularly significant to do so. Australia had just got its seat on the Security Council, and the speaker at the Cenotaph was former UN Department of Peacekeeping Operations official Kel Gleeson – a member of UNAA and AAFICS.*

Kel spoke of Australia's recent success in winning a seat on the Security Council, and then went on to propose views on restructuring the Security Council and the value of Australian peacekeepers.

Kel first served with the UN in the DPKO mission UNTAC in Cambodia in 1992 as a military officer. After retiring from the Army, he returned to that mission as an international civilian and followed that with a mission to Rwanda, arriving in January 1994 where his wife, Carol, joined him in March. On 6 April the genocide began and lasted 100 days. During that time over 800,000 people died, mostly by machete attacks. On the first day of the war the UN Mission UNAMIR lost 10 Belgians soldiers and then the Security Council withdrew 2,000 troops, leaving 200 Ghanaian soldiers and 10 civilians of whom Kel was one, powerless in the midst of hellish carnage. General Dallaire, the Force Commander, once said that if he had had just one battalion he could have stopped the genocide. Kel survived and went onto serve in Yugoslavia, East Timor and The Sudan (Darfur) all but the last missions with his wife. He served 14 years with the Department of Peacekeeping Operations and had the opportunity to see other countries at their best and at their worst. He came to realize and understand the importance of the UN in helping to sustain security in a changing world.

In Kel's view, now that Australia has won a seat as a non-permanent member of the



Security Council, it has a unique chance to set an agenda of positive and necessary change. Reflecting on the misery, injury and death in Rwanda and several other missions, Kel noted a recurring theme: the national agendas of the nations on the Security Council play a significant role in determining the policy of the Security Council and usually this has caused confusion, misunderstandings, and as in Rwanda, has cost lives. The veto has been used too often to serve the national interest of the nation applying the veto, and this action has not been in the interests of the global community.

Under the current power arrangement, the countries that won the Second World War have the right of veto. After 14 years with DPKO, Kel thinks the Security Council needs to be restructured on two fundamental elements:

- 1: The council needs to be expanded to allow several other full permanent members, and
- 2: The right of veto needs to be withdrawn from the five powers.

Kel also spoke about the quality of Australian Peacekeepers who he has observed and worked with in five difficult missions. Having seen arrogant peacekeepers, kind peacekeepers with no courage, inexperienced ones, poorly lead ones, ones with no idea as to why they are there, he considers the Australian peacekeepers to be highly trained, enthusiastic and innovative, soldiers who are prepared to go that extra yard, when almost all other peacekeepers would say “enough is enough”. One distinguishing aspect is their initiative to overcome the challenges and difficulties they encounter. He spoke of having seen Australian soldiers on patrol and midst high tension give aid to babies – they are exceptional soldiers and have done this nation proud.



## *Australia and the UN Security Council*

A year ago AAFICS Newsletter published Dr Alison Broinowski’s opinion that Australia had a lot of catching up to do if a seat on the UN Security Council was to be gained. She revealed at that time that neither Gareth Evans nor other senior Foreign Affairs figures were very hopeful about Australia’s chances. One year later, at the UNAA lunch on 24 October at the NSW Parliament House, she was glad to admit she was proven wrong. She says now that Australia can do a number of things to deserve the seat it has gained by working on:

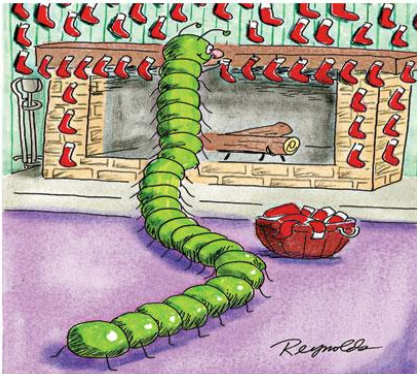
- Making a serious contribution to peace and helping avoid war;
- Working towards a conventional arms convention, Australia has now been asked to preside over a new Global arms treaty conference, starting March 2013;
- nuclear non-proliferation and disarmament;
- non-traditional security – food, energy and humanity;
- Security Council reform and compliance with international law and conventions; and
- an optional protocol on torture and a reporting mechanism on detainees.

Australia should also work to restore the reputation of the United Nations and counteract the habitual inaccurate reporting



on what it does. Australia's work on those issues and on the Millennium Development Goals can be safely handed over to New Zealand in due course – most of the Australian press and public seem not to realize that New Zealand already knows it will be on the Security Council in 2014.

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## ***The FAFICS Council and the United Nations Pension Fund Board meetings in Paris, June/July 2012***

### ***1. The FAFICS Council***

In the last week in June the Federation of Associations of International Civil Servants, to which AAFICS belongs, held its annual Council at the UNESCO building in Paris. Mary Johnson attended on your behalf. There are now 52 associations of UN retirees around the world, allowing FAFICS to speak on behalf of all retired UN officials at the United Nations Pension Fund's Board. The FAFICS Council always takes place just before the UN Pension Fund Board meets, so that retirees' positions on pension issues can be prepared.

### ***The actuarial valuation of the UN Pension Fund***

The outgoing CEO of the UN Pension Fund, Bernard Cocheme and Warren Sach, the UN Secretary-General's representative on Investments, with their senior staff, spent almost a full day with the FAFICS Council discussing with the retirees the impact of the actuarial deficit in the Fund. The actuarial deficit is now 1.8 per cent of pensionable

remuneration, continuing a downward trend from the previous year. It is very much in our interest to bring the Pension Fund back to an actuarial balance. Although the deficit has no immediate effect on the payment of our pensions, it must be dealt with prudently because of its long term consequences. FAFICS has argued for the last few years that the most efficient way to restore balance is to increase the retirement age in the UN system to 65. This will increase the flow of contributions and almost halve the deficit. The longevity tables show that UN retirees live a long time – and there should be some relationship between the length of the working life and the length of retirement. Most countries with national pension systems have in fact already increased the age of retirement. FAFICS therefore resolved to take up this issue in the forthcoming Pension Board and to encourage long-term measures to improve the Fund rather than short term cost cutting measures.

### ***Management of UN Pension Fund investments***

The low performance of the Investment Management Division, unsatisfactory even taking into account the volatility of the global investment markets. This failure to meet the 3.5 per cent real rate of return on investments was the main cause of the actuarial deficit.

### ***After Service Health Insurance***

The retirees discussed After-Service Health Insurance Schemes (ASHI). Not all retirees keep their UN based health insurance after they leave work, especially in countries like Australia where there are national medicare systems. There are almost as many health insurance schemes as there are UN agencies. Some ASHI schemes are run directly by the UN specialized agency and some are contracted to insurers such as Van Breda and Allianz. Often the regulations are outdated and do not reflect how people live today; for example, divorce will exclude a previously insured spouse from the scheme. Nevertheless, After Service Health Insurance is an essential part of our employment and retirement conditions and in many situations

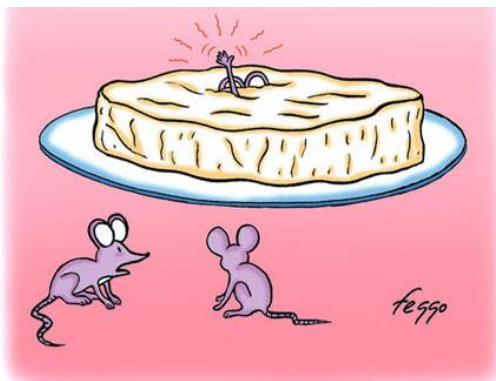


is fundamental to a safe retirement. Occasionally the concept of providing health insurance to retirees comes under attack from certain countries in the UN General Assembly or other parties within the UN and drastic cost cutting or the abolition of ASHI proposed. FAFICS therefore must be alert and ready to work with UN staff associations to protect this essential right. In many of the management committees of the UN health funds, there are no retirees' representatives and FAFICS policy is to try to improve this. After all, about one third of those paying premiums into the UN health insurance schemes are retirees!

#### ***FAFICS representation***

Roger Eggleston was elected President of FAFICS. Many of you will know Roger and his expertise on human resources and pension matters. Roger and his wife have recently moved from outside Geneva to the UK.

Mary Johnson was elected one of the FAFICS representatives to the Pension Board.



"That's why I avoid Brie."

## ***2. The Board of the UN Joint Staff Pension Fund***

Sergio Arvizu, formerly Deputy Director of the UN Pension Fund was unanimously proposed as the new CEO of the Fund, following the retirement of Bernard Cocheme. Sergio knows the ropes having joined the UN Pension Fund in 2006. He is 51 years old and started his career with the Mexican Social Security Institute.

#### ***The actuarial deficit***

The Committee of Actuaries' report to the Board expressed concern over the continuing

downward trend in the actuarial valuations of the Fund. The Committee of Actuaries would prefer to maintain an actuarial surplus of 1 to 2 per cent of pensionable remuneration as a safety margin. The issue is to have a buffer against economic volatility and ensure the long-term solvency of the Fund. The actuaries who advise the Fund said no immediate action was necessary but urged the Board to start considering remedial actions. Part of the actuaries' concern came from the underperformance of the Fund's investments. The long-term assumption for the Pension Fund is that its real investment return will average out to 3.5 per cent and this is not being achieved.

The actuaries supported increasing the retirement age.

#### ***Management of the Fund's investments***

The Pension Fund's investments are handled by the UN Investment Management Division under the Secretary General's representative for investments. Warren Sach gave a detailed report on the challenges the Fund has faced in 2011. He described a year in which the preservation of capital and the avoidance of capital losses were more important than seeking out high returns. Warren Sach made a number of comparisons of the UN Pension Fund with other pension funds – all facing rising and unfunded liabilities, tighter finances and volatile capital markets and gave a clear message that low interest rates and economic volatility were going to stay with us. The Investment Management Division is advised by an Investments Committee – a number of these independent international advisers were present at this part of the Board discussion and seemed to think the IMD should have moved earlier to reposition a number of its investment allocations.

#### ***Increasing the retirement age***

Staff associations, the retirees and the Governing Bodies representatives agreed on the importance of increasing the age of retirement to 65, while opposition came from some Executive Heads. In the end and after lengthy debate, all parts of the Board came together to acknowledge that increasing the retirement age would improve the actuarial



balance of the Fund. A carefully worded section of the Board report says that the Board is ready to decide to increase the Normal Age of Retirement to 65 years no later than from 1 January 2014. We have since learned that on 24 December, the Fifth Committee of the UN General Assembly agreed to age 65 for new participants. Part of the compromise made to reach this conclusion was to set up a working group to consider possible measures to ensure the Fund's long-term sustainability. The Board directed the working group to focus on long-term sustainability including governance, investment management and asset-liability management and not to focus on cost cutting measures. Retirees' and staff associations' representatives will participate in the working group.

**Other issues at the UN Pension Fund Board**

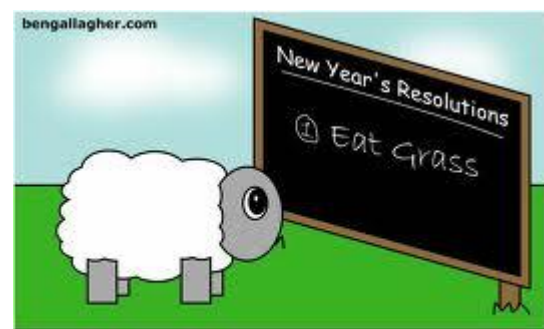
Several items did not reach satisfactory conclusions – small pensions and how they are to be adjusted; the definition of who is a spouse, and how to determine marital status. These items will come back in further Board meetings. It was interesting to learn of the Fund's efforts to guard the integrity of its data and its operational mandate by setting up a complex risk management programme. The Fund has made trial runs of a complete closure of operations in New York and verified that it can, in case of a catastrophic event, pay our monthly benefits out of Geneva.

**Summary**

Market volatility will continue and the value of the Fund's assets will go up and down – around \$44 billion at the moment. There are 124,000 staff members paying into the Fund; the increase in staff numbers is due to the increase in peacekeepers over the last decade. 65,000 people receive a monthly benefit from the Fund. Payments to retirees are distributed as 53 per cent in US dollars, 27 per cent in Euros, 14 per cent in Swiss Francs, making up 94 per cent of the total benefits paid. During the last three years the payments out of the Fund were more than the payments into the Fund, but interest and dividends cover this gap. For the future, the way the Pension Fund

manages risk and sets up its long-term strategies are more than ever important. It is essential that the Fund maintain a cautious investment policy.

Next year will be Mary's fifth and final year as a FAFICS representative on the Board of the Pension Fund.



When it came to New Year's Resolutions, Gerald was a realist.



## *Remembering our colleagues*

**Dr Hans Leo Teller**, died peacefully in his sleep aged 81 on 5 May 2012. Having left his native Czechoslovakia, as a seven year old in 1938, Leo received his primary and secondary education in an American school in India and arrived in Australia in 1949 at the age of 18. He initially studied forestry in Australia and completed MSc and PhD degrees in forest hydrology and watershed management in the United States. After service with the Forests Commission of Victoria, he spent three years with the Food and Agricultural Organisation of the UN in Rome, was a professor at Colorado State University for five years and joined UNESCO's Ecology Division in Paris in 1974. From 1984 to his retirement in 1991, he served as UNESCO's Representative in China. After retirement, he worked for a number of years as Deputy Chair of the Victorian Alpine Resorts Commission and Chair of the City of Port Phillip EcoCentre. He was also President of the Victorian Branch of the Australian Institute of International Affairs for two years. Leo was the AAFICS Coordinator for Victoria for 15 years and helped many and fought hard to ensure that our members were fairly treated by successive governments. He was a great and knowledgeable person who, with his wife Lorna, was never too busy to help anyone with their UN problems. As a devoted family man and valued member of our UN family, Leo is sadly missed.

**Richard Edmund Butler AM**, former Secretary General of the International Telecommunications Union, died aged 86 in Melbourne in July this year. Dick Butler had been Deputy Secretary General of ITU in Geneva for 15 years before being appointed Secretary General in 1982. He had started as a telegram delivery boy for the Post Master General in Melbourne. He had 22 years as a career international civil servant in ITU. All the obituaries published in Australian

newspapers at the time of his death speak of a man deeply interested in the evolution of telecommunications in our era and personally influential in the development of the rules now governing the conduct of international telecommunication services. Dick was an AAFICS member in Victoria from the time of his retirement in 1989.

**Josephine Martin-Blacklock** died in Queensland in July 2012, aged 96. Thanks to her great niece Tamara Bradley, we can tell you Jo's story and show you the photograph below. The handsome woman standing next to U Thant is Jo Martin-Blacklock.

Her great niece Tamara wrote "Jo was one of a kind. She was intelligent, quick witted, determined, opinionated, argumentative, incredibly loving and loyal". Tamara got in touch with AAFICS because Jo Martin-Blacklock had worked for the United Nations in New York for ten years. In early 1956 Jo had gone to New York, sent by Frank Packer for whose magazines she had been working, with the intention of studying TV makeup, design and advertising. Jo decided to stay on in New York and as a foreigner, sought work in one of the embassies. She became secretary to the Burmese Ambassador to the United Nations, U Thant, for several years before he was elected Secretary General of the United Nations in 1961. She went with him to the UN as his private secretary, to what was called "one of the most glamorous secretarial jobs in New York". She loved this job and was very good at it. It also gave her great insight into the workings of the world as during U Thant's time as S-G he dealt with the Cuban Missile Crisis and the Vietnam War. She stayed with U Thant and the United Nations until his retirement in 1971. U Thant died in 1974. Her great niece believes he was the love of Jo's life and she was devastated when he died. Jo then returned to Queensland and had a long and active life.



*Josephine Martin-Blacklock*



*Josephine Martin-Blacklock with U Thant*

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This newsletter is prepared by the AAFICS Committee of office bearers and is intended for AAFICS membership only.

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**Life-long membership in AAFICS is \$140 Payable to the Treasurer.**

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