PAGE 6
SOLAR SYSTEM
ADELAIDE AIRPORT LIMITED MANAGING DIRECTOR MARK YOUNG ON BECOMING A SUSTAINABILITY LEADER IN AUSTRALIAN AVIATION

Why we need pain to feel happiness
PAGE 12: Meet social psychologist, Associate Professor Brock Bastian

PAGE 4: MEET JACQUELINE GUEYE, TEACHER, DESIGNER, BUSINESS OWNER AND WORKING MUM
UPFRONT

Short on time? Here’s a quick rundown of things to know.

Changes to super
New super rules came in on 1 July 2017. See page 17 or go to unisuper.com.au/budget for more.

For your next trivia night...
Pre-Federation colonies changed the financial year from the calendar year to a year ending 30 June on the following dates: Victoria in 1870, South Australia in 1874, Queensland in 1875, Western Australia in 1892, New South Wales in 1895 and Tasmania in 1904. The Commonwealth followed suit from its inception in 1901.

Have you tuned in to our podcast? Subscribe to Super Informed Radio on the Apple Podcasts app or on SoundCloud.

We’re not the only ones!
Australia shares the same financial year as the Bahamas, Bangladesh, Kenya, Egypt, Pakistan, Puerto Rico, New Zealand, and Uganda.
Got a story to tell? We love hearing about your lives and so do our readers! Drop us a line at superinformed@unisuper.com.au if you’d like to be contacted for a member profile in the future, or to share news of your research.

KIDS + FAKE NEWS
Dr Joanne Orlando from Western Sydney University investigates how kids can distinguish between real and ‘fake news’ to avoid getting duped online.

@joanneorlando

THINKERS TO WATCH

HEALTH
Professor Clare Collins from the University of Newcastle helps make food and nutrition research ‘digestible.’ Nutrition advice from her column on ‘The Conversation’ includes what to eat or avoid if you’re prone to getting headaches.

@ProfCCollins

SCIENCE + MUSIC
Dr Mark Temple is a lecturer in Molecular Biology in the School of Science and Health at Western Sydney University, and combined his work with his interest in music to find out what DNA sounds like.

@marktemp

40% of young Australians have no idea what their super balance is according to ASFA research— which is surprising because they tend to have more money in their super than in their bank account, according to the ABS.

1 TrackMy Spend
ASIC’s app takes the headache out of budgeting. You enter your total budget and add your expenses as you make them.

2 Splitwise
Ever gone away or out for a meal and had trouble keeping tabs on who paid for what? Splitwise makes it easy.

3 Pocketbook
This app sorts your spending into categories like clothes, groceries and fuel—showing you where money’s being spent. It also syncs with your bank account.

Radar

3 FINANCE APPS WORTH CHECKING OUT

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Having spent most of my career in super, I’ve become used to the Government’s changes to super rules. But I still appreciate that from outside looking in, it’s a bit unsettling for members to hear of the relatively significant Government-driven changes to super, most of which are outlined from page 17. If you’re feeling a bit rattled, try to take comfort that the Government’s strong attention to super shows its importance to the nation and millions of Australians.

Australia’s super system now comprises a $2.3 trillion pool of investments, with super being the largest asset most people own outside their family home. That’s one of the strongest drivers for me in my role—knowing that what the UniSuper team does helps protect and build this significant asset for the 400,000 plus members of this fine fund.

Being one of Australia’s biggest super funds—managing over $60 billion of members’ savings—means we have a strong voice in the industry, and we use it to lobby for positive change and continuous improvement on your behalf. Recent conversations we’ve weighed in on include the Government’s Framework for Comprehensive Income Products for Retirement and the Insurance in Superannuation Working Group. These debates, and many more, are helping shape the future of Australia’s retirement system.

Closer to home, we’ve been hard at work building further MemberOnline enhancements to expand the features available for managing your account online. New features include the ability to verify your identity quickly and easily online (where you’re required to provide proof of ID), single login for members with more than one UniSuper account, and large strides away from paper application forms with a new online process for joining the fund.

Another initiative worth highlighting is opening UniSuper up to members’ families. We remain firmly committed to the higher education and research sector, but we’ll soon be opening our doors to the family of UniSuper members with Personal Accounts coming later this year.

An accumulation-style super account, Personal Accounts will allow your family to benefit from the strong returns, diverse investment options, and competitive fees you currently enjoy. We’ll let you know when this new product launches.
Over the next few months, I’ll be travelling to a number of campuses to meet with members of UniSuper’s Consultative Committee. This is one of the things I enjoy most about my role— hearing first-hand what members want from us, talking about our future plans, and meeting many of our diverse and interesting members.

“An accumulation-style super account, Personal Accounts will allow your family to benefit from the strong returns, diverse investment options, and competitive fees you currently enjoy.”

Speaking of diversity, I’ll finish with a few quirky facts you might enjoy:

→ Our 400,000 members have 101,000 different surnames. The most common? Smith.
→ More of you share a 21st September birthday than any other day. The fewest share 29 February and Boxing Day (26 December).
→ Almost 200 UniSuper members are over 90 years old, and three are over 100.
→ 58% of our members are female, 42% male.

Kevin O’Sullivan

2 Past performance is not an indicator of future performance.
YEAH, NAH.
I’ve been teaching for 10 years now, mostly in academic university teaching, or in an academic setting for students where English is their second language and they need to build up their skills to go to English-speaking universities. I taught in four different countries—Russia, South Korea, Vietnam and Turkey. Then after about seven years I came back home and started doing the same job here.

There are often things you don’t really think about—or realise you need to be cautious or wary of—until you’re teaching in another country. In Vietnam, for example, I found that when I was teaching at university level, we had to push ideas like critical thinking into our university preparation courses because the students would otherwise be going on to study university degrees without that basic core of critical thinking. It’s not really part of their education system as much as it is in ours, whereas Russia and Turkey have that kind of critical thinking background already.

With each country I taught in, I became more confident in myself and my teaching ability. Vietnam stands out to me because I love clothes and I was in a country and financial position where I could get a lot of my own clothes made. When I was back in Australia and teaching at a university, I decided to start my own clothing business. I already knew how to design patterns and sew, but didn’t have the patience or the technical skills to make things at a level I was happy with, or certainly not at a level that I wanted to sell to other people. Vietnam gave me the chance to experiment with style. And really, the tailors there can make anything you ask, so obviously you can ask for really insane stuff!

My business focusses on independent slow-fashion. It emphasises fit and quality, but also tries to cater to a wide sizing range—8 to 20. We have an online shop, so a typical day for me involves processing orders on the website and packing up those orders to post, plus photography and product descriptions. I also check in with my business partner about how everything’s going in Vietnam. So it’s quite a lot of administration! One of the main things our customers say is that they really like the fit and the quality of our clothing. But also just the quirkiness of it comes up a lot.

I’m very grateful that technology exists, because without it, my business would be insanely hard. I love it because I have freedom to work when I want to and I can continue teaching at the same time. And I love it because I love designing and selling clothes. When a customer gives me good feedback, it’s a good feeling.

Having just become a working mum, I’ve realised you have to have incredible time management. Unfortunately with babies, time management doesn’t always work!

My ideal retirement would probably be quite similar to my parents’ retirement now—spending a lot of time doing hobbies, looking after grandkids and going on lots of overseas trips.

“I decided to start my own clothing business. I already knew how to design patterns and sew, but didn’t have the patience or the technical skills to make things at a level I was happy with.”
When super meets environment

If you had to think about which companies might be making substantial inroads into environmental sustainability, an airport mightn’t immediately spring to mind. But Adelaide Airport Limited, in which UniSuper owns a 49% share, is doing just that—in 2016 becoming the first Australian airport recognised by the global Airport Carbon Accreditation program and cementing its place as an aviation leader in sustainability.
for returns meet mental returns
In 2016, Adelaide Airport Limited (AAL) finished installing a multi-million dollar solar photovoltaic system, at the time making it the largest airport solar rooftop system in Australia.

Just over a year later, the installation is already achieving its desired effect—cutting the airport’s carbon footprint. It’s expected to eliminate about 915 tonnes of CO2e annually and generate around 8.5% of the company’s total electricity use.

The system is also paying financial dividends, generating a return on investment of 13.1%, with a ‘payback’ period of eight years. It’s a sound result, and an especially important metric for commercial renewable projects.

AAL Managing Director Mark Young says the significant capital investment in the solar rooftop system was justified on the basis of the many benefits to the overall business.

“The financial benefits include reducing utility costs and mitigating the risk of rises in electricity costs—a material issue for South Australian business in the immediate future.

“Other benefits include achieving our 2019 carbon reduction target, increasing energy self-sufficiency, meeting investor environmental, social and corporate governance (ESG) risk expectations, as well as enhancing Adelaide Airport’s brand,” he says. The rooftop system will also assist the South Australian Government’s Renewable Energy Target—to produce 50% of the state’s power by renewables by 2025.

CAPTAINS OF INDUSTRY

Since the installation, AAL has been approached by numerous companies seeking to learn about the business case development, including tendering processes and technology trends.

“We’ve been keen to share our insights with others to support the expansion of commercial-scale solar in South Australia and nationally—whether it’s driven by a commitment to reduce carbon emissions, drive down operational cost, or both,” Young says.

The solar installation was also useful for the company’s future planning due to the evolving nature of such projects. “While we eventually settled on a different system design to the one we originally proposed, the process required we swiftly improve our understanding of solar technology.

“It gave us the knowledge to have more productive negotiations throughout the tender phase and ultimately deliver Board approval,” he says.

NEW DEPARTURES

AAL is in the process of conducting high-level feasibility assessments on a number of other potential projects, including ground-mounted solar at Parafield Airport, other rooftop systems, and waste-to-energy technology for accepting terminal and operations waste at Adelaide Airport.

“We were also recently awarded $1 million from the South Australian Government’s Future Mobility Lab Fund for the introduction of electric autonomous buses at Adelaide Airport.

“A detailed feasibility assessment is underway and, if the outcomes are supported, it will provide a shuttle service between the terminal and long-term car park, replacing the current diesel-powered bus fleet,” Young says.

“The [solar photovoltaic] array will enable us to achieve our carbon goal in the space of a single year.”
UNISUPER’S ENGAGEMENT
As a major direct investor in Adelaide Airport and other major commercial property assets (including Sydney, Auckland and Brisbane airports), UniSuper has influence over—and high visibility of—the companies we invest in. We also directly engage with companies on climate and other environmental risks, ensuring these risks are being managed appropriately. In this way, we look forward to maintaining our mutually-beneficial ongoing relationships with our major investments.

To find out more about what we do in this space, visit unisuper.com.au/responsible-investing.

CARBON REDUCTIONS IN FULL FLIGHT
You say such projects help to deliver on the company’s goals to reduce per-passenger electricity consumption by 10% and related greenhouse gas emissions by 2019.

“With the operation of the solar PV array since March 2016, we are well on the way to achieving this goal—and in fact, the array will enable us to achieve our carbon goal in the space of a single year,” he says.

Over the past five years, the company has reduced per passenger electricity consumption in the terminal by 10% and overall per passenger greenhouse gas emissions by 17%.

In achieving year-on-year emission reductions, AAL has focussed primarily on electricity efficiency projects and renewable energy.

In other areas, the company has significantly renewed its vehicle fleet towards more fuel-efficient models, including replacing three petrol cars with the fully electric plug-in Nissan Leaf. It has also run successful forums which have led to initiatives to influence its stakeholders in reducing their carbon footprint, such as aviation taxing and flight efficiencies that reduce fuel burn and proposals for future introduction of biofuels, among other programs.

HAPPY TRAVELLERS
And it’s also worth remembering the tangible benefits for travellers.

“The project doesn’t just have the potential to offer a low carbon transport solution,” Young says. “[We also believe] it provides superior customer service and showcases an emerging technology.”

This isn’t intended to be an endorsement of any securities named above for inclusion in personal portfolios. The above material reflects UniSuper’s view at a particular point in time having regard to factors specific to UniSuper and its overall investment objectives and strategies.
FIVE THINGS YOU MAY NOT KNOW ABOUT SUPER

In the 25 years since compulsory super was introduced, Australians have collectively saved more than $2.3 trillion1 in super. From humble beginnings of requiring employers to set aside just 3% of an employees’ salary, compulsory super now helps to relieve the financial challenges posed by an ageing population and a pressured Age Pension. Although Australia is touted as being a world leader in super and an early adopter, the concept of super and the need for people to be financially supported in retirement certainly isn’t new. In fact, the idea of superannuation was first documented in Roman times!2 Here are a few other interesting facts about our amazing super system.

1 SUPER STARTED IN AUSTRALIA IN 1862
Although super became something that almost all working Australians were entitled to in the early 1980s, the first super fund was established in 1862 for employees of the Bank of New South Wales (now Westpac). Many private companies followed, introducing their own schemes.

2 NEW SOUTH WALES WAS THE FIRST STATE TO INTRODUCE THE STATE PENSION
In 1900, when the weekly wage was £2, NSW introduced a means tested Age Pension of £26 a year, which was funded out of tax revenue. Victoria and Queensland followed soon after.
### 3 Compulsory Super Was Introduced to Avoid a Wage Rise

In the mid-1980s trade unions agreed to forego a national 3% pay increase in favour of Award Super. And in 1992 under the Keating Government, the new Superannuation Guarantee (SG) system was introduced to provide super for all Australian employees. For the first time all employers were required to make prescribed contributions on behalf of their employees to a complying super fund.

### 4 Before the SG, Super Was by No Means a Right

Although it existed, it was generally considered a reward for long and loyal service with one company and the average Australian wasn’t entitled to it. The arrangements were at the discretion of the employer, which often meant that if an employee left a company or lost their job, they also lost their employer contributions.

### 5 Our Dependence on Super Is Growing

Most Australians are living longer and having fewer children. This older population means there will be fewer people working and paying taxes to fund the Age Pension compared with growing numbers of retirees. In fact, the Government is forecasting that in 40 years we’ll have just 2.4 taxpayers supporting each retiree. This is in contrast to five taxpayers for every retiree today. Super, and your ability to fund your own retirement, has never been more important.

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MEET ASSOCIATE PROFESSOR BROCK BASTIAN

Can we achieve happiness by maximising pleasure and minimising pain? Not so, according to work by University of Melbourne social psychologist and UniSuper member Associate Professor Brock Bastian. After watching his ‘Why we need pain to feel happiness’ TEDx Talk, we spoke to him to find out more.

What drew you to study the effect pain—or lack thereof—has on people’s lives? I’ve long been interested in the idea that happiness is overvalued in society. Some of our own research has identified that living in societies that overvalue happiness can lead people to feel pressured to be happy. This means when they inevitably experience sadness or failure in life they respond poorly, feeling that they’re failing to achieve a valued social ideal.

This led to an interest in understanding why these painful experiences may in fact be beneficial. By pain, I’m really referring to a whole raft of negative emotional experiences—e.g. loneliness, failure, sadness—as well as the more common definition which relates to negative physical experiences. We’ve been focused on physical pain in our own work, but are really interested in this broader picture.

By understanding that painful experiences are not always negative, and don’t necessarily need to be harmful, we’re aiming to provide a new perspective on pain—one that not only allows us to better cope with it, but one that also highlights an important, and often overlooked, pathway to wellbeing and happiness.

Does living without pain make us happier? No! Unless you only use the term pain to refer to chronic or harmful conditions—we’re better off without those. But, if you use the term to refer to the whole range of unpleasant experiences that we have in life, then we need pain in order to experience happiness. Although this sounds counter-intuitive, when you consider what a life of endless pleasure would be like (that is a complete absence of any pain at all) it starts to sound dystopian.

“Pain provides benefits that purely pleasant experiences simply cannot. Furthermore, pain provides a critical contrast which is necessary for our capacity to experience pleasure and happiness at all.”

This is what Aldous Huxley imagined in his book ‘Brave New World’, where people could take a substance that effectively meant they would experience constant pleasure and an absence of pain.

Pain provides an important contrast to our pleasant experiences and without this we would experience very little pleasure or happiness at all.
Is there such a thing as too much or too little pain? Yes. In fact there’s research showing that people who have experienced very little lifetime adversity are about as happy as those who have experienced very much. It’s the people who experience a moderate amount of adversity in life who experience the greatest levels of wellbeing.

Has your research found that “no pain, no gain” is actually true? And if so, how? Yes, although I hate that saying! Pain provides benefits that purely pleasant experiences simply cannot. Furthermore, pain provides a critical contrast which is necessary for our capacity to experience pleasure and happiness at all.

We’ve also found that pain can resolve guilt, heighten our sensory experiences and bond us to others socially. Our more recent work even suggests that sharing painful experiences in a group may indirectly increase creative output.

I think it’s important to add that we really need to rethink our understanding of pain to see this. When pain is only seen through the lens of harm or as a medical problem, then it’s hard to make sense of this. Yet, pain is really a part of our everyday lives. Most of us endure unpleasant (read ‘painful’) experiences at work, when we exercise, even in our relationships (including the positive ones).

In fact, it’s pain which gives meaning to a great many of our experiences. Imagine running a completely pain-free marathon. Imagine passing a test that you were guaranteed not to fail. Our sense of achievement from these experiences is in part dependant on the fact that they do, or can, hurt. Pain is much more a part of our everyday lives than we often recognise, and what’s more, we seek it out far more regularly than we commonly realise.
SELECTING THE RIGHT ADVICE

Making informed decisions now about your short- and long-term finances could make a big difference to your financial future.

A common perception of financial advice is that it’s only for certain kinds of members—like those approaching retirement. But even small changes now can have a big impact over time.

UniSuper members have access to Select Advice, a more ‘bite-sized’ advice package. It’s a service for members which covers topics like (but not limited to) investment choice, contributions, and insurance.

We can work with you to determine the most appropriate solutions for your situation, or refer you to a Private Client Adviser if you need a more holistic approach.

Fees for Select Advice, which in most cases can be deducted from your accumulation account, are typically lower than Comprehensive Advice services, giving you simple access to quality scaled personal advice on the topics which most matter to you in the here and now.

For most Australians, investments inside the super system will be one of their largest financial assets—second only, perhaps, to the family home.

If you’re a member with accumulation super, choosing the most appropriate investment options could have a significant effect on your retirement—although it’s equally important to consider your other goals, your investment timeframe and objectives, and other factors. For example, a member with a long investment timeframe may be prepared to ride out investment highs and lows from more growth-focussed investments. On the flip side, a member with a short investment timeframe may prefer the lower risk that more defensive assets can bring.

Taking your personal goals into account also applies to decisions about whether to make additional super contributions, and whether those contributions are made before or after tax.

Particular rules also apply to contributions to the Defined Benefit Division (DBD). Select Advice can help our DBD members by recommending contribution strategies that can help them reach their goals and navigate baffling concepts like ‘notional taxed contributions’.

Investments can be complex, with savings strategies, risk profiles and investment timeframes to consider. Our advisers can assess your unique situation to determine the most appropriate strategy.

Choosing the right insurance—a topic that can glaze the eyes of even the most compassionate conversationalist—can be an extremely important decision. Appropriate insurance can provide financial security and peace of mind in the event that an income earner becomes temporarily or permanently ill, injured, or worse.

The types of insurance you can access are quite varied and cover a range of different things, so it’s prudent to consider appropriate advice relevant to your particular situation, even if you’d rather watch paint dry!

Select Advice typically costs between $395 and $700, and the cost can generally be deducted from your accumulation super.

Whether you’re saving for a home deposit, your children’s education or even that big holiday, Select Advice is able to provide limited advice outside of super.

To find out more, and to see if Select Advice can help you, contact UniSuper Advice on 1800 UADVICE (1800 823 842) or visit unisuper.com.au/advice.
Everyone knows there are topics we should steer clear of in order to keep conversations flowing—religion, death, politics, sex and money.

While we’re happy to ‘be on the money’, talk up our ‘money for jam’ ventures or even put in our ‘two cents’ worth’, we’re just not comfortable openly discussing the topic of money with our friends, family or even our partners.

So why is money talk still taboo in this age of over-sharing?

Largely, money is a loaded topic because it’s tied to our emotions, power, status and levels of happiness. How we’re raised can also have a powerful influence on our relationship with money.

But while there might be a number of reasons holding us back, there’s a downside to not talking openly about money.

Not being open about money issues can do us damage—leading not only to poor financial outcomes, but stress that can harm our health and relationships.

So how do we remove the secrecy and talk openly about our finances? It’s not as scary as you might think. Finding your voice to talk about money can start with understanding some basic financial concepts like investing, saving methods, and planning for the future.

This can be as easy as logging in to MemberOnline and checking out MoneySavvy, UniSuper’s online financial education program. Here you can find tips, calculators and activities on a range of money topics.

You can also get the kids involved by tapping into the handy money conversation starters listed on T. Rowe Price’s Money Confident Kids™ site—again located in MemberOnline. The site also teaches kids valuable money skills through educational money-themed games and activities.

If you need help actually sorting out your finances, you might be best to chat with a qualified financial adviser. It’s their job to help people better understand their finances and advise on strategies to get them ahead financially.

Once you know more about how money works and the role it plays in your life, you’ll feel more comfortable talking about it—which could lead to better financial decisions, better long-term outcomes and less conflict.

Now that’s something to talk about.

Written by Katie Frazer
Assistant Product Manager
Important updates

CHANGES TO SUPER

Legislative update

2017 FEDERAL BUDGET
In May 2017, the 2017 Federal Budget included a handful of announcements that are likely to affect super in the event that they become law.


2016 FEDERAL BUDGET
In November 2016, the Government passed a number of new super laws that were proposed in the May 2016 Federal Budget. The majority of these new laws took effect from 1 July 2017. These reforms represent some of the most significant changes to the super system in over a decade.

Below is a brief overview of the changes.

$1.6 million transfer balance cap
From 1 July, there’s an indexed limit, or cap, of $1.6 million on the amount of super an individual can transfer into the retirement phase (such as a UniSuper Flexi Pension). If you transfer an amount over the cap, you’ll be subject to an excess transfer balance tax. Any member with a balance between $1.6 - $1.7 million has until 31 December 2017 to bring their balance within the cap. Members with balances of $1.7 million or above need to bring their balance under the cap immediately as they will incur the excess transfer balance tax.

A reduction in the concessional (before-tax) contributions cap
On 1 July 2017, the annual cap on concessional super contributions reduced to $25,000 (indexed) for everyone.

A lower division 293 tax threshold
For the 2017-18 financial year, the threshold at which high income earners pay additional tax on super contributions (known as the ‘Division 293’ tax) will be lowered from $300,000 to $250,000. If your income and relevant super contributions is more than $250,000, you’ll be subject to an additional tax of 15% (over and above the 15% standard rate on contributions).

A lower non-concessional (after-tax) contributions cap
From 1 July 2017, the annual non-concessional (after-tax) contributions cap is $100,000. Anyone with a balance of $1.6 million or above generally can’t make further non-concessional contributions to super. People under age 65 will still be able to ‘bring forward’ up to three years of non-concessional contributions if their balance is under $1.6 million. See the new arrangements in the table on page 18.

Ending the anti-detriment rule
The Government has removed the anti-detriment provision for all death benefits paid on or after 1 July 2017. There is a limited transition period for death claims where an individual has passed away before 1 July 2017.

New low income super tax offset
From 1 July 2017, the low income super tax offset replaced the low income superannuation contribution. The measure still provides a super boost of up to $500 per year for people earning an adjusted taxable income of up to $37,000. This avoids the possibility of low income earners paying more tax on their super contributions than their take home pay.

Allowing catch-up concessional contributions
From 1 July 2019, anyone with a total super balance of less than $500,000 can make ‘catch-up’ concessional contributions to their super by carrying forward any unused concessional cap allowance starting from the 2018-19 financial year (for up to five years), if eligible.

Anyone with a total super balance of less than $500,000 before the start of the financial year, who hasn’t fully used their concessional contribution cap for one or more of the past five financial years, can add to their super balance by making additional before-tax contributions, using their concessional cap allowance from the previous year(s).

Note: you can’t utilise unused concessional contributions from the financial year ending 30 June 2018 or prior years.
## Changes to the spouse contributions tax offset threshold

Before 1 July 2017, a tax offset of up to $540 was available for individuals who made contributions to their spouse’s super with incomes of up to $13,800. The Government now allows more people to access the offset by extending eligibility to those whose recipient spouses earn up to $37,000 (subject to account balance limits). The tax offset will gradually reduce and will completely phase out once the income level of the recipient spouses reaches $40,000.

## Changes to transition to retirement (TTR) pensions

On 1 July 2017, the Government removed the tax exempt status of investment earnings from assets that support a TTR pension. These are now taxed up to 15%. The taxed earnings that apply to TTR accounts are the same as those applied to our accumulation investment options. Also, once TTR members turn 65 or let us know they’ve met another condition of full release, they’ll now automatically be transferred into a Flexi Pension account.

## Claiming a tax deduction on your personal contributions

The Government now allows anyone under age 75* to claim an income tax deduction for their personal super contributions (i.e. the 10% work test requirement which previously applied has been removed). Accumulation members will need to lodge a Notice of intent to claim or vary a tax deduction for personal super contributions form—as they do now—to claim the deduction. This form is available at [unisuper.com.au/forms](http://unisuper.com.au/forms).

DBD members can lodge the same form to claim a deduction for contributions made to their accumulation component. Unfortunately, DBD members can’t claim a deduction for contributions made towards their defined benefit component at this stage. We’ve notified the ATO of this. If you have any questions, make an appointment with your local on-campus consultant at [unisuper.com.au/campusbookings](http://unisuper.com.au/campusbookings) or call us on 1800 331 685.

You can find more details on about these new super laws by visiting the Australian Taxation Office (ATO) website.

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### Important updates

<table>
<thead>
<tr>
<th>TOTAL SUPER BALANCE ON 30 JUNE 2017</th>
<th>MAXIMUM NON-CONCESSIONAL CONTRIBUTIONS CAP FOR THE FIRST YEAR</th>
<th>BRING-FORWARD PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $1.4 million</td>
<td>$300,000</td>
<td>3 years</td>
</tr>
<tr>
<td>$1.4 million to less than $1.5 million</td>
<td>$200,000</td>
<td>2 years</td>
</tr>
<tr>
<td>$1.5 million to $1.6 million</td>
<td>$100,000</td>
<td>No bring-forward period, general non-concessional contributions cap applies</td>
</tr>
<tr>
<td>$1.6 million</td>
<td>Nil</td>
<td>n/a</td>
</tr>
</tbody>
</table>

This will affect the fees and costs they pay.

On 1 July 2017, we removed the 0.16% administration fee for all Flexi Pension TTR members, but the investment fees and indirect cost ratio (ICR) for Flexi Pension TTR investment options now include an additional 0.13% per year. For most Flexi Pension members, this will mean a reduction in fees and costs, but this won’t be the case for members with higher account balances. We estimate that fees could be marginally higher for members with balances over $960,000, as the previous 0.16% administration fee was capped at $1,250 per year. However, the additional 0.13% in investment fees and ICR are not capped.

TTR members should also be aware that once they become Flexi Pension members, the balance of their Flexi Pension will count towards their transfer balance account. For more information see the [Your guide to pensions – Flexi Pension PDS](http://unisuper.com.au/pds).

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* members aged 65-74 must also meet the work test.
We understand that these changes might seem complex, which is why we’re committed to helping you understand how you might be personally impacted.

Before making any considerable changes to your super or pension, we encourage you to speak with a qualified financial adviser. You can make an appointment with UniSuper Advice on 1800 UADVICE (1800 823 842) or by writing to advice@unisuper.com.au.

**UniSuper update**

**Capital Stable option renamed ‘Conservative’**

Our Capital Stable investment option was renamed the Conservative option, effective 1 July 2017. As one of our Pre-Mixed options with a diversified portfolio weighted to defensive assets, the Conservative option’s assets are currently valued at just over $2 billion (as at May 2017).

Our Investment Committee regularly reviews the performance, profile and strategy for all UniSuper investment options. This change was made to better-reflect the Conservative option’s current investment strategy and asset allocation.

The Conservative option is designed to suit members seeking exposure to a range of asset classes who are less comfortable with large fluctuations in the value of their investments.

**Changes to investment options**

We’ve made changes to some of our investment options, effective 1 July 2017. See the table overleaf for more information.

In addition, all investment options had the tolerance range for their strategic asset allocation changed from +/- 12.5% to +/- 15%, except for the Diversified Credit Income option, which now has a tolerance range of +/- 20%.

**Enhancements to external insurance cover**

The following enhancements to our external insurance cover took effect from 1 July 2017:

→ members who cease employment and travel or reside overseas will now be covered.

→ We’ve changed the rules in relation to what may offset an Income Protection benefit. While overall these changes are positive for members, there may be limited circumstances where a member may be adversely impacted.

**Other important updates**

The following amendments have been made to the UniSuper Regulations and Trust Deed, which govern how the Fund operates.

**The Trust Deed has been amended with effect from 1 July 2017 to:**

→ more explicitly state relevant regulatory requirements regarding the cashing of death benefits

→ reduce the investment switching fee from $13.80 to $13.10 for second and subsequent switches each financial year

→ remove the administration asset fee of 0.16% per annum on transition to retirement pensions in the accumulation phase (which will be replaced by the investment fees and indirect cost ratios that apply to accumulation products)

→ reflect the re-naming of the ‘Capital Stable’ investment option as ‘Conservative’.

Note: The February 2017 edition of Super Informed outlined changes to the Trust Deed which, at the time of printing, did not have an effective date. Those amendments came into effect on 1 March 2017.

**Correction to the Trust Deed**

We’ve corrected a drafting error in the Trust Deed. The changes confirm that certain eligible DBD members who commenced their pension after their 65th birthday (but before reaching age 66) should have indexation applied in the calculation of their initial pension entitlement. We’ve contacted and compensated all members affected by the error.
### CHANGES TO INVESTMENT OPTIONS EFFECTIVE 1 JULY 2017

<table>
<thead>
<tr>
<th>Before 1 July 2017</th>
<th>From 1 July 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash</strong></td>
<td></td>
</tr>
<tr>
<td>Suggested time horizon: one year</td>
<td>Suggested time horizon: very short time horizon (less than one year)</td>
</tr>
<tr>
<td>Risk labelling: negligible negative years in a 20-year period (Low)</td>
<td>Risk labelling: negligible negative years in a 20-year period (Very low)</td>
</tr>
<tr>
<td><strong>Australian Bond</strong></td>
<td></td>
</tr>
<tr>
<td>Investment objective: CPI over four years</td>
<td>Investment objective: achieve (after Fund taxes) returns in excess of a relevant government bond index over five years (after adjusting for taxes)</td>
</tr>
<tr>
<td>Suggested time horizon: four years</td>
<td>Suggested time horizon: five years</td>
</tr>
<tr>
<td>Risk labelling: four negative years in a 20-year period (High)</td>
<td>Risk labelling: two negative years in a 20-year period (Medium)</td>
</tr>
<tr>
<td><strong>Conservative</strong></td>
<td></td>
</tr>
<tr>
<td>Risk labelling: three negative years in a 20-year period (Medium to High)</td>
<td>Risk labelling: two negative years in a 20-year period (Medium)</td>
</tr>
<tr>
<td>Strategic asset allocation:</td>
<td>Strategic asset allocation:</td>
</tr>
<tr>
<td>→ Australian shares: 15%</td>
<td>→ Australian shares: 15.75%</td>
</tr>
<tr>
<td>→ International shares: 8.5%</td>
<td>→ International shares: 9.25%</td>
</tr>
<tr>
<td>→ Property: 6.5%</td>
<td>→ Property: 5.0%</td>
</tr>
<tr>
<td>→ Cash &amp; Fixed Interest: 70%</td>
<td>→ Cash &amp; Fixed Interest: 70%</td>
</tr>
<tr>
<td><strong>Conservative Balanced</strong></td>
<td></td>
</tr>
<tr>
<td>Suggested time horizon: four years</td>
<td>Suggested time horizon: five years</td>
</tr>
<tr>
<td>Strategic asset allocation:</td>
<td>Strategic asset allocation:</td>
</tr>
<tr>
<td>→ Australian shares: 23.5%</td>
<td>→ Australian shares: 25%</td>
</tr>
<tr>
<td>→ International shares: 16%</td>
<td>→ International shares: 17.5%</td>
</tr>
<tr>
<td>→ Property: 10.5%</td>
<td>→ Property: 7.5%</td>
</tr>
<tr>
<td>→ Cash &amp; Fixed Interest: 50%</td>
<td>→ Cash &amp; Fixed Interest: 50%</td>
</tr>
<tr>
<td><strong>Balanced (MySuper)</strong></td>
<td></td>
</tr>
<tr>
<td>Return target: CPI + 5.1%</td>
<td>Return target: CPI + 4.6%</td>
</tr>
<tr>
<td>Strategic asset allocation:</td>
<td>Strategic asset allocation:</td>
</tr>
<tr>
<td>→ Australian shares: 36%</td>
<td>→ Australian shares: 38%</td>
</tr>
<tr>
<td>→ International shares: 20%</td>
<td>→ International shares: 22%</td>
</tr>
<tr>
<td>→ Property: 9%</td>
<td>→ Property: 5%</td>
</tr>
<tr>
<td>→ Infrastructure &amp; Private Equity: 5%</td>
<td>→ Infrastructure &amp; Private Equity: 5%</td>
</tr>
<tr>
<td>→ Cash &amp; Fixed Interest: 30%</td>
<td>→ Cash &amp; Fixed Interest: 30%</td>
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</table>
## Changes to Investment Options Effective 1 July 2017

<table>
<thead>
<tr>
<th>Before 1 July 2017</th>
<th>From 1 July 2017</th>
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<tbody>
<tr>
<td><strong>Balanced</strong></td>
<td></td>
</tr>
<tr>
<td>Strategic asset allocation:</td>
<td>Strategic asset allocation:</td>
</tr>
<tr>
<td>→ Australian shares: 36%</td>
<td>→ Australian shares: 38%</td>
</tr>
<tr>
<td>→ International shares: 20%</td>
<td>→ International shares: 22%</td>
</tr>
<tr>
<td>→ Property: 9%</td>
<td>→ Property: 5%</td>
</tr>
<tr>
<td>→ Infrastructure &amp; Private Equity: 5%</td>
<td>→ Infrastructure &amp; Private Equity: 5%</td>
</tr>
<tr>
<td>→ Cash &amp; Fixed Interest: 30%</td>
<td>→ Cash &amp; Fixed Interest: 30%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Sustainable Balanced</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic asset allocation:</td>
<td>Strategic asset allocation:</td>
</tr>
<tr>
<td>→ Australian shares: 42%</td>
<td>→ Australian shares: 45.5%</td>
</tr>
<tr>
<td>→ Australian Listed Property: 3.5%</td>
<td>→ International shares: 24.5%</td>
</tr>
<tr>
<td>→ International shares: 24.5%</td>
<td>→ Cash &amp; Fixed Interest: 30%</td>
</tr>
<tr>
<td>→ Cash &amp; Fixed Interest: 30%</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Growth</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic asset allocation:</td>
<td>Strategic asset allocation:</td>
</tr>
<tr>
<td>→ Australian shares: 44%</td>
<td>→ Australian shares: 46.5%</td>
</tr>
<tr>
<td>→ International shares: 26%</td>
<td>→ International shares: 28.5%</td>
</tr>
<tr>
<td>→ Property: 10%</td>
<td>→ Property: 5%</td>
</tr>
<tr>
<td>→ Infrastructure &amp; Private Equity: 5%</td>
<td>→ Infrastructure &amp; Private Equity: 5%</td>
</tr>
<tr>
<td>→ Cash &amp; Fixed Interest: 15%</td>
<td>→ Cash &amp; Fixed Interest: 15%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>High Growth</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic asset allocation:</td>
<td>Strategic asset allocation:</td>
</tr>
<tr>
<td>→ Australian shares: 57.5%</td>
<td>→ Australian shares: 56.25%</td>
</tr>
<tr>
<td>→ International shares: 27%</td>
<td>→ International shares: 33.75%</td>
</tr>
<tr>
<td>→ Property: 10.5%</td>
<td>→ Property: 5%</td>
</tr>
<tr>
<td>→ Infrastructure &amp; Private Equity: 5%</td>
<td>→ Infrastructure &amp; Private Equity: 5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sustainable High Growth</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic asset allocation:</td>
<td>Strategic asset allocation:</td>
</tr>
<tr>
<td>→ Australian shares: 60%</td>
<td>→ Australian shares: 65%</td>
</tr>
<tr>
<td>→ Australian Listed Property: 5%</td>
<td>→ International Shares: 35%</td>
</tr>
<tr>
<td>→ International Shares: 35%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Global Environmental Opportunities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The investment fee for the financial year ended 30 June 2017 was estimated to be 0.24%</td>
<td>From 1 July 2017, we anticipate further investment fees including an extra 0.15% per annum compared to the previous financial year</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Australian Equity Income</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk labelling: four negative years in a 20-year period (High)</td>
<td>Risk labelling: five negative years in a 20-year period (High)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Global Companies in Asia</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk labelling: six negative years in a 20-year period (Very High)</td>
<td>Risk labelling: five negative years in a 20-year period (High)</td>
</tr>
</tbody>
</table>
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With a string of awards and high ratings from Australia’s top ratings and research agencies, SuperRatings and Chant West, we’re one of Australia’s most award-winning super funds.

SuperRatings, a superannuation research company, has awarded UniSuper a Platinum Choice rating for its accumulation products, something only the ‘best value for money’ funds receive. Our accumulation products have also achieved a 10-year Platinum Performance rating. Go to www.superratings.com.au for details of its rating criteria. SuperRatings does not issue, sell, guarantee or underwrite this product.

Chant West awarded UniSuper ‘Super Fund of the Year’ in both 2015 and 2016, and ‘Pension Fund of the Year’ in 2017. UniSuper was also awarded ‘Best Fund: Advice Services’ in 2017. UniSuper’s Accumulation 2 product has received a 5 Apples rating. For information about the methodology used, see www.chantwest.com.au.

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