Message from the CEO

I’m delighted to bring you the August edition of Super Informed, following another eventful six months that saw us awarded our second consecutive Super Fund of the Year Award from leading ratings agency, Chant West. This is something no other super fund has achieved, and follows our Conexus Super Fund of the Year Award in March.

Of course, we recognise that what matters most to you is not the awards we’ve won, but what’s in your pocket at retirement. Nonetheless, I’d like to thank the entire team at UniSuper for their hard work and dedication to providing greater retirement outcomes for our members.

As we embark on a new financial year, we’re using this edition of Super Informed to reflect on ‘change’—sharing stories of members embracing change in their daily lives and looking at some innovative changes we’re making at UniSuper, including launching the new MemberOnline site.

CHANGE AND SUPER
The old adage ‘change is the only constant’ certainly seems to apply to super at the moment.

At the time of printing, the outcome of the Federal Election was undecided—so it’s likely there’ll be an interim period of uncertainty in relation to superannuation policy.

Whatever the election outcome, we remain focussed on providing greater retirement outcomes for you, and will continue to monitor developments as they unfold.

You’ll find more information on page 20.

INVESTMENTS
In our Spotlight on investments flyer—included in your statement pack—our Chief Investment Officer John Pearce reflects on the highs and lows of the past financial year. He also takes a look at the recent investment performance of our Defined Benefit Division (DBD)—a good news story about how our ‘fortress assets’ have bolstered the DBD’s recent performance.
UniSuper named Super Fund of the Year ... again!

The Chant West awards recognise funds that have worked hard to achieve excellence—and UniSuper’s back-to-back success is further testament to our single-minded focus on delivering greater retirement outcomes to members.

TOP QUARTILE INVESTMENT RETURNS
Chant West’s investment performance survey shows UniSuper’s flagship Balanced option has delivered top quartile returns over one, three, five, seven and 10 year reporting periods to 31 May 2016.*

AMONG THE TOP TEN FOR LOWEST FEES
Chant West recently ranked UniSuper’s Balanced option among the top ten for lowest fees—with the Balanced option placing second, eighth and 10th out of the 100 largest super funds in Australia for balances of $250,000, $50,000 and $25,000 respectively.

VALUE BEYOND RETIREMENT
The value we deliver goes far beyond dollars in retirement. We’re proud to offer you access to some of the best advice, education and services through our award-winning website, contact centre, national advice network and on-campus support.

UNISUPER ON-CAMPUS
I’m very pleased that our on-campus service, which started in Sydney back in October 2013, has been so strongly embraced by members.

This speaks volumes about something we all know—sometimes it’s just easier to talk to someone face-to-face. With on-campus consultants now available at over 80 locations, including 30 permanent sites across Australia, it’s never been easier to seek help, information or general advice about your UniSuper membership.

You can make an appointment with a consultant at your campus or at one of our member centres at unisuper.com.au/campusbookings.

FLEXICHOICE
In the February edition of Super Informed, we announced plans to introduce FlexiChoice as our new default product for eligible UniSuper members. Work behind the scenes continues and we’re tracking well towards an anticipated launch during the 2017/18 financial year. Turn to page 16 to find out how you can stay informed about our progress in the lead-up to the introduction of FlexiChoice.

LOOKING AHEAD
Despite the air of change, our singular focus on you and your retirement outcomes is unwavering and is central to all of our projects and planning.

I hope you enjoy this edition of Super Informed and the rest of 2016.

Kevin O’Sullivan

*Past performance is not an indicator of future performance.
A clearer view

The view of Earth from space is about to become even clearer. Melbourne’s La Trobe University has teamed with the German Aerospace Center (DLR) to develop the planet’s sharpest camera. Project Manager and UniSuper member, Dr Peter Moar, spoke with us about winning the first ever International Space Station (ISS) contract—of this type—for an Australian university.

I was introduced to DLR while living in Germany, and we’ve worked on projects together for more than 10 years now. Then in early 2015, I had the opportunity to introduce my DLR colleagues to La Trobe’s engineering department—in particular to the in-house expertise of the TIGER Radar team headed up by Prof. John Devlin.

DLR was designing high-precision lens optics for the DLR Earth Sensing Imaging Spectrometer (DESIS), along with the camera’s structure. They identified La Trobe’s expertise in what’s known as ‘radar technology’—electronics, hardware and software—and saw an opportunity to collaborate. So we came on board to help design certain ‘control systems’ consisting of a combination of the hardware and software to control the instruments the DLR is building.

When you’re designing for space, the development phase is much longer than usual. The demands are far greater than, say, building a car or a plane, where you can bring it into a workshop if something goes wrong. You’ve got one shot with a space-based device, so it has to work. And the need to be compliant means it’s integral to adhere to strict processes and procedures. Designing advanced instrumentation for space is pretty much the ultimate form of engineering excellence.

Space is an extremely harsh ‘zero gravity’ environment. The device has to operate in a vacuum. It can get up to a few hundred degrees and down to minus one hundred, so the camera must perform in extreme conditions. Cosmic radiation can also knock transistors and computers out of action. We simulate these conditions in our laboratories, testing the device in vacuum chambers and throwing all sorts of radiation at it. Overall, it’s a much more demanding and unpredictable process.

The camera’s adaptive optic techniques and advanced hardware and software mean it will be able to handle the most complex or subtle changes in images. It will allow us to take images containing new information in a particular sequence and at unique angles that haven’t been possible to date.

These images will help inform global natural disaster management and minimisation strategies. The camera will be able to analyse flood damage and be used for what’s known as ‘fire landscape management’—to track the state and vegetation of grasslands and forests after bushfires. Images can be used to assess the ‘curing state’ of grasslands to determine the fire danger rating. The fuel load of forests is calculated in a similar way and satellite imagery like this can help optimise back-burning efforts.
The DESIS instrument can also be used to detect and map fire front details and inferred temperature, which can be overlaid with a GPS mapping program. This allows us to establish a fire’s location, and which fire is hottest or most threatening. Afterwards, the imagery can be used to track what was burnt and to estimate how well vegetation is recovering.

In about 10 years’ time, I expect we’ll be able to access maps—similar to the weather radar maps—that track where fires are and how intense they are, with updated information available every five-to-six minutes.

You can see why these images are vitally important—particularly for a country like Australia which burns more than any other on the planet. Germany has this cutting edge technology but doesn’t have the fires, while Australia has the expertise in managing fires. This collaboration capitalises on each country’s expertise perfectly.

We’re now at the tail end of the design phase. We have what’s known as ‘engineering models’—those you trial your design on before building the ‘flight model’, which goes up to the ISS. We’re testing and modifying the electronics, hardware and software, before we hand over our final designs in October. The flight model will be made in Germany, where it goes into the final test and verification stage.

We expect the DESIS to be launched to the ISS in late 2016, followed by a three-month commissioning phase. This ensures all systems are working before the data begins streaming in 2017.

For more information about the DESIS, visit http://bit.ly/29xzM3E.
Retirement and the ‘sandwich generation’

Feeling squeezed by the competing financial demands of raising or helping your own kids and caring for elderly parents? You’re not alone. You’re probably part of the ‘sandwich generation’.

The term was originally coined in 1981 by American Professor Dorothy Miller. At the time, she was referring “to younger women in their thirties and forties who were taking care of their children, but also having to meet the needs of their parents, employers, friends, and so on”. These days, the term generally encompasses both women and men who are subjected to these same demands.

The emergence of a sandwich generation has happened for a few reasons—none of which are immediately solvable—but ‘knowledge is power’. Even the simple act of identifying the pressures causing this phenomenon—and how they might relate to your own circumstances—could help you ease the squeeze.

**Sandwich (verb): Insert or squeeze (someone or something) between two other people or things, typically in a restricted space or so as to be uncomfortable.**

www.oxforddictionaries.com/definition/english/sandwich
So what are the causes?

OURSELVES
Firstly, the life expectancy of Australians is increasing—according to the Australian Bureau of Statistics, it’s among the highest in the world.³

The upshot is that we and our parents are both living longer than ever before. In reality, this means that not only is the duration of our working lives likely to increase, but so is the length of time we’re likely to be devoting to caring for elderly parents when the time comes.

OUR KIDS
Even if you don’t have kids, you’re probably aware that housing affordability isn’t getting any easier for young people. The combination of costly house prices, high rents and the desire to save for that ever-more-elusive first home deposit is meaning children are increasingly likely to want to stay at home for as long as they can.

To boot, a 2014 report showed the majority of first home buyers and owners—57.1% and 54.1% respectively—were in their 30s and 40s.⁴ That’s a long time for anyone to be putting up kids at home.

OUR KIDS’ KIDS
Members of the sandwich generation are often willing, able—and relied upon by their kids—to help out with childcare. The financial benefits of this for them are obvious, as any curbing of childcare expenses can be a significant saving. Of course, grandchildren are rewarding and can bring joy—and even health and wellbeing benefits⁵—into their grandparents’ lives. But unchecked or assumed access to grandparents (particularly when added to the pile of other responsibilities they might be sharing) and the demands of caring for these little rays of sunshine can sometimes seem stormy.
Can we de-sandwich?

There’s no silver bullet for solving the problems faced by the sandwich generation. A silver lining, perhaps, could be that the trend seems likely to be passed on to the next generation. So whether you’re a sandwichee, a sandwicher or an imminent member of either camp, give some thought to the points on the right-hand side and remember that UniSuper is here to help you on your journey to—and through—retirement.

SOME TOOLS TO GET YOU STARTED
Our online learning centre has a range of tools to help current and future members of the sandwich generation, including:

• a Transition to retirement calculator, which may assist in finding a strategy to help you ease into retirement
• a Retirement adequacy calculator, which can help you find out if you’ll have enough to retire on
• a Budget planner for a simple, clear overview of your income and expenses.


2 https://en.wikipedia.org/wiki/Sandwich_generation
5 http://startsat60.com/health/another-great-reason-to-look-after-the-grandkids

Remember ...

MAKE TIME FOR YOU
With all your responsibilities, it’s important to try to keep fit and healthy. If you’ve retired, you’re entitled to feel like you’re enjoying your freedom.

IT TAKES TWO TO TANGO
If your commitments are impacting you financially, consider ways to address this. Would a small amount of board from children living at home help cover your expenses? Or would sharing the caring load with a sibling or other relative ease the load?

IT’S YOUR RETIREMENT
Don’t lose sight of the fact that your standard of living will not only determine your ability to enjoy life, it’ll also influence your ability to meet your responsibilities—whether that’s providing housing for adult children, minding grandkids or caring for elderly parents. Think about setting your goals—what kind of responsibilities might be awaiting you? And what kind of life do you want to have while carrying out those responsibilities?

PLAN YOUR RETIREMENT
Whether it’s to set you on the path of achieving your retirement goals, or simply getting an idea of how much money you might need in retirement, a retirement plan can help give you a better idea of what you’ve got to work with. A qualified adviser with UniSuper Advice can help—consider contacting them on 1300 331 685 today.
Is using your intuition the way to go?

Are you someone who takes the time to carefully consider and research your decisions? Or are you more inclined to go with your gut instinct? We’re accustomed to hearing the adage ‘what does your little voice say?’, but researchers have now determined it might be time we start listening to that ‘little voice’ more regularly.

Intuition is the ability to understand something instinctively, without the need for conscious reasoning. When we use our intuition, it tends to be a method of generally reaching a decision a lot faster, but we’re never completely certain if it’s the right decision.

After conducting experiments with over 100 students, a team of researchers from the University of NSW’s School of Psychology—Associate Professor Joel Pearson, Dr Galang Luftiyanto and Dr Chris Donkin—have come up with a method which proves that unconscious intuition can inform and improve our decision-making.

We spoke with Dr Luftiyanto to explore these and other key findings from their landmark research.

WHAT MOTIVATED THIS RESEARCH?
People are still reluctant to rely on intuition when making critical decisions. On the contrary, we often hear success stories of people using non-analytical thoughts—a process commonly regarded as intuition—to arrive at accurate decisions. This motivated us to seek evidence of intuition using a tractable methodology which has been applied in studies of cognitive neuroscience.

Further, we seek to determine the underlying mechanism and what factors may contribute to intuitive decisions.

YOUR RESEARCH REVEALED THAT INTUITION CAN IMPROVE OVER TIME. HOW CAN PEOPLE TURN INTUITIVE SKILL INTO PRACTICE?
Our research finding has demonstrated that intuition could develop over time even in the absence of clear incentives. By giving the participants proper exposure toward emotional events—as the basic ingredient of intuition—we can already bias decisions. However, not everyone responds to emotional events to the same extent. Those who can utilise emotional cues effectively would make more accurate intuitive decisions.

WHAT WERE SOME OTHER INTERESTING FINDINGS FROM YOUR RESEARCH?
Our research demonstrates that the human brain can bind several types of information to yield productive behaviours. In particular, intuition is a product of a combination between non-conscious emotional information and conscious decision-task-related information. This capacity to bind categorically unrelated information has not been understood well until we suggested the working paradigm of intuition.
TO WHAT EXTENT SHOULD WE FOLLOW OUR INTUITION?
It’s critical that we’re aware in which situation intuition becomes a powerful tool to make a decision. Our finding has suggested that people tended to use intuition when task-related information was not enough to make decisions. Consequently, we would use additional resources such as emotional information. In contrast to what popular books have claimed about intuition, our study found that intuition isn’t more superior than analytical thought on a general basis.

HOW CAN YOUR FINDINGS BE APPLIED ELSEWHERE?
Emotional awareness should be taken into account when recruiting people for positions in which intuitive decisions will be frequently made. High levels of uncertainty and unpredictability are a common characteristic of managerial positions, therefore choosing people who are more qualified to cope with those situations could be beneficial for a company’s interests.

CAN USING INTUITION POTENTIALLY HELP US IN RETIREMENT?
As we get older, our cognitive capacity does deteriorate. It will affect us in the way we make decisions, such as we tend to use experiential strategies, including intuition. Unfortunately, not everyone has good intuition. While we can improve our intuitive ability by enhancing our emotional awareness, it’s also a good idea to have a support system—such as a retirement plan—which helps us going through unexpected future events to reduce financial risk.

You can read more about this research at http://bit.ly/28Jxa01.

What’s your intuition telling you?
Has this year’s Federal Budget announcement left you concerned about your super? Perhaps you’re unsure about your current finances? When it comes to your super and retirement, some sound advice—together with your intuition—might restore your confidence with your investments.

As a UniSuper member, you benefit from exclusive access to UniSuper Advice’s in-house team of financial advisers who are solely dedicated to helping you with your finances. Contact UniSuper Advice on 1300 331 685.
What happens when you get comprehensive financial advice with UniSuper?

Whether you’re close to retiring, changing jobs, reviewing your investments or just needing some guidance with your current finances, we always recommend you speak to a qualified financial adviser.

As a UniSuper member, you benefit from exclusive access to our in-house team of financial advisers who are solely dedicated to helping you with your finances. We operate on a fee-for-service basis which means we’ll quote you a fixed fee for receiving our advice and won’t charge you ongoing commissions. If you’re thinking about seeking financial advice but not sure what’s involved, Dale Barratt—Private Client Adviser at UniSuper—has provided a simplified step-by-step guide of what happens when you arrange to meet with one of our private client advisers to receive comprehensive advice.

PREPARING FOR YOUR FIRST SESSION

To make an appointment to see an adviser, you’ll need to contact UniSuper Advice on 1300 331 685. We’ll arrange a time for you to meet with an adviser if we think you’ll potentially benefit from financial advice.

We’ll let you know what documents you need to bring. These usually include paperwork on any investments and life insurance you have, bank and super statements, payslips, your budget (i.e. income and expenses) and anything else that might be relevant to your discussion.

YOUR FIRST SESSION: MEET YOUR FINANCIAL ADVISER

We’ll get to know each other: we’ll explain who we are, what we do and how we can help.

This is an important session where we gather as much information from you as possible to ensure we tailor the advice to your needs. However, it’s not just about the facts and figures in your documents—we’re interested in learning about your financial goals and exploring how you can achieve these.

The duration of this session is usually one to two hours depending on the complexity of your needs. However, it’s important to note: the investment you make in this meeting will greatly impact the financial plan we produce for you.

We’ll provide you with a written quote; if you’re happy to proceed, we’ll start developing your financial plan.
WE RESEARCH, ANALYSE AND PREPARE YOUR FINANCIAL PLAN
We’ll get to work on preparing your financial strategy, ensuring it aligns with your objectives based on our discussions. We’ll prepare all of the paperwork, including your Statement of Advice and what you need to sign when you come in for your next visit. This process usually takes us around three to four weeks—we’ll let you know when it’s ready.

YOUR SECOND SESSION: WE PRESENT OUR RECOMMENDATIONS
We’ll walk you through all aspects of your plan (these are detailed in your Statement of Advice) ensuring you understand the strategies we’ve prepared and recommended for you. In this session, you might need to sign certain documents (such as an Investment choice form, an application form etc.) to implement your strategy if you’ve chosen to do so. Once this is done, we’ll make sure your forms and instructions are processed.

What if you need more time to think about it? That’s completely fine. We don’t need to implement your suggested plan straight away. We understand there’s a lot to absorb, so take some time to think about it and we’ll contact you within a week or two to see how you’ve gone.

WHAT HAPPENS NEXT: REVIEW YOUR FINANCIAL PLAN
We understand things might change. Life events—including the sale of property, new relationships, family dynamic changes etc.—or economic or legislative changes can occur along the way and this could impact your financial position. We’ll generally contact you once a year to check if you’re still happy with your strategy, or if you’d like a review of your financial plan.

Alternatively, you can contact us any time if you have any concerns or believe it might be time to review your financial plan.

THERE’S NO TIME LIKE THE PRESENT
No matter what stage of life you’re in, it’s never too early or late to plan your financial future. To meet with one of UniSuper Advice’s qualified financial advisers, call 1300 331 685.
Why does it seem like super is always changing?

The May Federal Budget proposals—and the tight election outcome—have put super in the spotlight once again. With the Financial Systems Inquiry (FSI) recommending the primary objective of super to be providing “income in retirement to substitute or supplement the Age Pension”, why does it seem like governments keep making changes to super?

It’s important to remember that compulsory super contributions have been in place for nearly 25 years—a relatively short time in the financial ecosystem. The concessional tax arrangements linked to super have changed significantly over the years. However, despite changes, super has continued to evolve and grow to a pool of over $2 trillion. Successive governments have explored potential changes (mainly through adjustments to tax and contribution levels) as they have sought ways to strike a delicate balance between an objective of balancing the Budget and encouraging retirement savings.

These changes can be unsettling, especially as people get closer to retiring or have already retired from the workforce. In fact, there are many who worry about the current debate surrounding proposed super changes to the point where their confidence in the super system has started to wane. Many in this camp would argue that super can’t be trusted because the goal posts are always moving.

At a fundamental level, though, have the goal posts really shifted? With its compulsory, regular contributions and tax concessions, superannuation still remains an effective way to save for retirement, and is predicted to continue as such for the foreseeable future.

Regardless of any changes, we encourage all UniSuper members to take an active interest in their super to make the most of the current environment, including contribution limits and taxes. By setting your own retirement goals, regularly checking your progress and adjusting your choices as your needs and the environment change, you can influence your own playing field and put yourself in the best position to reach your goals. And if you need help, we have a range of tools and resources you can draw from—including personal financial advice through UniSuper Advice.
CHANGE IS NORMAL
Super has evolved significantly over the past 25 years. Some of the more recent changes are:

• Increases to the superannuation guarantee (SG). Today, we’re accustomed to at least 9.5% of our wages going to super—up from 3% when compulsory super was first introduced in 1992.
• Changes to contribution caps. Today, concessional tax treatment applies to a set amount of contributions each financial year. In the past, different rules and tax mechanisms applied.1 Although caps have changed over time, most Australians can enjoy tax concessions on some or all of their super contributions.

As well as the 2016 Federal Budget proposals, over the years, a range of more controversial changes have been debated:

• Allowing those on lower incomes to choose between receiving super and extra take-home pay. This is based on the idea that the current system isn’t of much value to Australia’s lowest-paid workers (and is often tied to the ongoing debate over housing affordability).
• Allowing younger people to use their super to pay HECS or HELP debts.
• Allowing people to draw on their super savings to buy or build a home. This idea often comes up in the debate over housing affordability—but opponents argue it would simply increase demand for housing and potentially drive up house prices.

While changes can seem nerve-wracking, it’s important to remember that super is still an effective way to save for retirement over the long term.

FOCUSING ON YOUR SUPER IN CHANGING TIMES
How can you maximise the benefits of your super in times of change?

• Consider combining your super into one account—first checking your other fund’s exit fees and insurance. If it’s right for you, you can use our Rollover tool at unisuper.com.au/combine.
• Check in with your super regularly to make sure you’re on track to reach your retirement savings goals.
• Consider seeing a qualified financial adviser to talk through the best options for your current situation.

A financial adviser can also help you understand changes to super and work with you to adjust your plan to keep you on track.

MORE INFORMATION?
Visit unisuper.com.au/advice to find out how UniSuper Advice’s team of dedicated financial advisers can help you.

1. **MANAGE YOUR PENSION—ANYTIME, ANYWHERE AND ON ANY DEVICE**

Not only does the new MemberOnline look different, the new site’s been built so that you can simply and easily access your account, no matter what device you’re using.

2. **CLEARER, MORE RELEVANT INFORMATION**

As soon as you log in you’ll get a snapshot of your balance over time, investment performance, beneficiaries and recent transactions—all the most important information about your account is at the forefront.

3. **VIEW YOUR PENSION INFORMATION WITH EASE**

The ‘Pension payments’ section is a new one-stop shop for all your important pension information like pension payments, frequency, banking details and drawdown method—making it simpler to understand and manage your payments.
CHOOSE HOW YOU’D LIKE TO GET YOUR STATEMENT
We know people are more inclined than ever before to reduce paperwork and help the environment. To make this easier, you can now choose to get your statement and Super Informed magazine via MemberOnline only. Once your statement is ready, we’ll let you know by email—you can then log in to your account and view your statement immediately.

COMPARE, CONSIDER AND CHANGE YOUR INVESTMENT OPTIONS WITH EASE
Our redesigned ‘Investment details’ section not only has the latest performance information, but gives you a deeper insight into your investment choices with new breakdowns of how your balance is invested by asset class and major holding.

NEW HOME FOR UNISUPER WEBCASTS
If you regularly tune in to our webcasts—our live, online seminars for members—you might have noticed something different in recent months. We now offer our webcasts on-demand—so if you can’t make a live one, you can catch-up anytime. Simply register for an upcoming webcast and you can access the full range. Visit unisuper.com.au/webcasts to check it out.

5 things to love about your new MemberOnline
We’ve recently updated our secure MemberOnline site—saving you time and making it easier to understand and manage your Flexi Pension. We’re very excited to launch it—here are five things to love about the new unisuper.com.au/memberonline.
Keen to learn more about FlexiChoice?

FlexiChoice is our new, in-development super and retirement income solution. Many of you have said you’d like to know more about how FlexiChoice is progressing, so this is part of a regular series of updates to help you walk with us each step of the way.

We’re working hard building FlexiChoice and expect to offer it as our default product for eligible new members during the 2017/18 financial year. Some of the main things we’re focusing on right now include adapting our technology to administer this new product, and refining the features and default options we’d like to offer.

FlexiChoice combines defined benefit-style features with more common ‘accumulation’ super, aiming to provide greater certainty of an income stream (i.e. regular pension payments) in retirement, better ability to forecast how much you’re likely to have at retirement, and more protection from investment downturns—alongside increased flexibility and choice.

While we haven’t locked down all the details, as work continues behind the scenes we’ll continue to provide regular progress updates and information in coming editions of Super Informed—and through our new online FlexiChoice information centre. Visit unisuper.com.au/flexichoice to find out more about:

• why we’re launching FlexiChoice
• what makes FlexiChoice innovative
• how FlexiChoice will work
• future opportunities for eligible existing members to transfer their existing UniSuper benefits to FlexiChoice.

STAY INFORMED
Receive email notifications when new information about FlexiChoice is posted. Subscribe for alerts at unisuper.com.au/flexichoice
Changing the way we educate

We’re constantly being told that education, as we know it, is changing. In 2015 we heard a lot about the University of Technology Sydney (UTS)’s striking Frank Gehry-designed Dr Chau Chak Wing Building. The new building, housing the university’s Business School, was designed to deliver new, collaborative possibilities for students and inspire new modes and methods of teaching. We caught up with two UniSuper members at UTS to see how the denizens of this distinctive new facility are seeing its effects unfold.

Business education—and management education specifically—relies on a different set of foundation principles. These are attitudes and values shaping how we relate to people, lead others and create innovative ideas to enable global prosperity—and developing analytical skills to create, communicate and enable these solutions.

DR MELISSA EDWARDS —SENIOR LECTURER AT THE UTS BUSINESS SCHOOL

The Dr Chau Chak Wing building has enabled a more interactive mode of learning to be facilitated. The unusual design of the oval teaching spaces instantly disrupts the dynamic of learning experienced in a traditional classroom set-up. A traditional lecture room has fixed assumptions that knowledge is transmitted from the academic expert to be absorbed by students through a rote learning approach.

The set-up in the oval classrooms mirrors the forums where global leaders meet to engage in dialogue, debate and discussion to strategize global approaches. Think the United Nations and the World Economic Forum. Students have used words like ‘interactive’, ‘spacious’, ‘inspiring’, ‘motivating’, ‘challenging’ and ‘surprising’ when describing these spaces.
The larger lecture spaces are also interactive, allowing me to break up my lectures with short discussions, and students can use the microphones to share their responses with the entire room. The executive education spaces allow us to deliver professional learning experiences that combine elements of lectures, panel discussions, experiential activities and networking. The layout encourages an atmosphere much like a professional conference which engages professional students and entices high profile guest speakers to come and share their knowledge and experience.

Some of my favourite things about the building are the feeling of space and the irregular design that makes you think differently about your workplace. This shapes a way of thinking that is more accommodating of critical and creative thinking and it attracts people’s imaginations.

From that place, as an educator, you can transition people into more creative and innovative thought processes.

“Students have used words like ‘interactive’, ‘spacious’, ‘inspiring’, ‘motivating’, ‘challenging’ and ‘surprising’”

Consciousness, intuition, belief, creativity and emotional engagement are distinctly human qualities (e.g. not yet replaced by robotics or mechanical labour). Invoking these in the classroom through the use of visual and audio aesthetics can help us to develop these capabilities and find meaningful ways to incorporate these in the way we think about the design and purpose of business.

WE’VE CHANGED THE WAY YOU CAN EDUCATE YOURSELF ABOUT YOUR SUPER
Log into the new MemberOnline at unisuper.com.au/memberonline.
We all expect Frank Gehry’s work to be innovative and out there—to function, as a sociologist once noted of architect-designed buildings, ‘as both an object and a means’. As a means, the Dr Chau Chak Wing Building functions as symbolic capital, but as an object it challenges people’s perceptions because it tells us what architecture can or should be. That’s important. For me, it doesn’t quite matter whether some commentators are critical about the building or not—it is already achieving the university’s aims by changing the way we think about business education.

The quality of light—and access to natural light and views—are probably some of my favourite things about the building. From an education perspective, some people hold that lecture rooms should not have windows so that students are forced to concentrate on what’s being said or done in a seminar or lecture. But everyone is so connected nowadays that in reality, if students are going to be distracted it’s going to be on a mobile phone or a laptop. A critical difference about this building is that in all the teaching spaces you are conscious of the day, of what’s happening around you and of larger views than just the space that you’re in.

I think the building has a real attraction for people. It’s not an imposing building and it doesn’t take itself too seriously—which may sound disrespectful because the university invested a lot of money and a lot of time in this building—but it’s a building that makes you feel good as you walk towards it and enter it.

Buildings don’t change practices overnight—that old Churchill quote, “we shape our buildings and afterwards our buildings shape us”. From an educational point of view we’ll have to wait and see what develops, how students change, and how the practices of the academics that are housed in the building change too. We need to let these two aspects play out in combination with the influence of the new building over time.
Changes to super

Budget update
At the time of printing, the outcome of the Federal Election was unclear. The two major parties took similar—but not identical—superannuation policy platforms into the election. Consequently, the 2016 May Budget proposals, in one form or another, could be introduced by whoever eventually forms government.

While most of the proposed changes will take effect from 1 July 2017, there will be significant industry consultation on many of these measures throughout the remainder of 2016, with any legislation likely to be introduced to the parliament in the first half of 2017.

For the latest news on the effects of the election outcome on superannuation, visit unisuper.com.au/budget.

PROPOSALS
Some of the more significant proposals in the May Budget policy announcements included:

- changes to contribution caps with:
  - a reduced concessional contributions cap to $25,000 (regardless of age), from 1 July 2017,
  - a carry-forward of unused concessional cap amounts for those with super balances under $500,000, and
  - a new lifetime limit on after-tax (non-concessional) contributions of $500,000, having effect from 3 May 2016 and taking into account all non-concessional contributions since 1 July 2007
- new benefit limits with a new transfer benefit cap of $1.6 million on amounts that can be transferred to the ‘retirement phase’ to commence pension products, such as account-based pensions. There will also be commensurate measures for defined benefit pensions greater than $100,000 yearly
- measures to assist low income earners to contribute to super, as well as making changes to the superannuation spouse tax offset
- changes to the tax threshold for ‘Division 293’ tax (which affects a small number of high income earners)
- changes to transition to retirement pensions, with a proposed 15% tax on investment earnings from 1 July 2016
- removal of the work test that applies to the making of personal contributions by those aged from 65 to 74
- new rules to allow people under age 75 to claim a tax deduction for personal superannuation contributions.

For more detailed information on the proposals—and the latest news on the effects of the Election outcome on super—visit unisuper.com.au/budget.

LEGISLATION PASSED
Legislation was passed in June 2015, making changes to the Age Pension which come into effect from 1 January 2017 which will:

- increase the assets free area for all pension recipients, and
- increase the ‘taper’ of the assets test, which has the effect of reducing the amount of assets a person can have and still receive a part pension.
These changes will mean that some retirees with lower levels of assets might receive a slightly higher Age Pension, while those with higher levels of assets might have their payments reduced or even cut off. If you think this measure affects you, we encourage you to seek financial advice.

**TREASURY REVIEW OF RETIREMENT INCOME STREAM REGULATIONS**

Over the last two years, Treasury conducted a review of impediments to the regulation of retirement income products. It found that there were legislative impediments to develop new products, such as deferred pensions and annuities, and included recommendations that were picked up in the Budget in 2016.

It also reviewed the required drawdown amounts from account-based pensions, such as UniSuper’s Flexi Pension, and found that the current minimum drawdown amounts were “about right”.

**UniSuper update**

**WORKPLACE GENDER EQUALITY AGENCY (WGEA) REPORTING**

UniSuper recently submitted its annual report to the WGEA (formerly The Equal Opportunity for Women in the Workplace Agency) as part of its requirements to comply with the Workplace Gender Equality Act 2012 (WGE Act). WGEA is the government statutory authority charged with supporting and improving gender equality in Australian workplaces. To view the report, visit our website at unisuper.com.au/governance.

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**Important updates**

**FEE CHANGES EFFECTIVE 1 OCTOBER 2016**

Following a regular review of our fees and costs, we’re pleased to announce we’ll be waiving the indexation of our administration fees in 2016. Indexation is typically done each 1 July.

And, further to the reduction of some of our fees in 2015, we’ll be reducing our fee for switching investment options from 1 October 2016 (see the below table for more information).

We’re sure this will be welcome news for members.

### DEFINED BENEFIT DIVISION, ACCUMULATION 1 AND 2, SPOUSE ACCOUNT, FLEXI PENSION AND TERM ALLOCATED PENSION MEMBERS

<table>
<thead>
<tr>
<th>Fee name</th>
<th>Fee prior to 1 October 2016</th>
<th>Fee from 1 October 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switching fee</td>
<td>$15.80 for the second and subsequent switch each financial year</td>
<td>$13.80 for the second and subsequent switch each financial year</td>
</tr>
</tbody>
</table>
SuperRatings, a superannuation research company, has awarded UniSuper a 7-year Platinum Performance rating for its Flexi Pension product in 2016. Go to www.superratings.com.au for details of its ratings criteria. SuperRatings does not issue, sell, guarantee or underwrite this product.

Chant West has awarded UniSuper ‘Super Fund of the Year’ in both 2015 and 2016—something no other super fund has been able to achieve. Our Flexi Pension product has received a 5 Apples rating in 2016. We also received the ‘Investments Best Fund’ award in 2015. For further information about the methodology used by Chant West, see www.chantwest.com.au.

Issued by: UniSuper Management Pty Ltd (ABN 91 006 961 799), Australian Financial Services Licence No. 235907 on behalf of UniSuper Limited, ABN 54 006 027 121, the Trustee of UniSuper, Level 1, 385 Bourke St, Melbourne Vic 3000.

UniSuper: ABN 91 385 943 850

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Date: August, 2016

This information has been prepared to provide members with general information only and includes general advice. Any advice in this newsletter has been prepared without taking into account your individual objectives, financial situation or needs. Before making any decision in relation to your UniSuper membership, you should consider your personal circumstances, the relevant product disclosure statement for your membership category, and whether to consult a qualified financial adviser. To obtain a copy of the PDS relevant to your membership category, visit unisuper.com.au/pds or contact us on 1800 331 685.

UniSuper Advice is a service dedicated to UniSuper members and their spouses which is provided by UniSuper Management Pty Ltd, the entity licensed to provide financial advice and the administration of the Fund. For further information about UniSuper Advice, please visit unisuper.com.au, access the Financial Services Guide and, for any further enquiries, contact us on 1800 331 685.

Any views expressed by third parties are those of the third party and not UniSuper.

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