

# The University of New South Wales Professorial Superannuation Fund

Fund Registration Number R1005035  
ABN 12 007 600 799

# ANNUAL REPORT

FOR THE YEAR ENDED 31 December 2023

**Important information:**

The issuer and Trustee of the University of New South Wales Professorial Superannuation Fund (ABN 12 007 600 799, RSE Registration No. R1005035) is Diversa Trustees Limited (ABN 49 006 421 638, AFSL No 235153, RSE Licence No L0000635).

Address: GPO Box 3001, Melbourne VIC 3001. Ph: (03) 9097 2800

The Administrator of the University of New South Wales Professorial Superannuation Fund is Iress Limited, ABN: 47 060 313 359, AFSL No: 241366, Address: PO Box 1282, Albury NSW 2640. Ph: (02) 8099 4058  
Fax: (02) 8022 7448

## GENERAL DISCLAIMER

This report is issued by Diversa Trustees Limited ("the Trustee") ABN 49 006 421 638, RSE Licence No. L0000635, as Trustee of The University of New South Wales Professorial Superannuation Fund ABN 12 007 600 799, Fund Registration No. R1005035 ("the Fund").

The Trustee, any underlying investment manager and other service provider to the Fund, do not guarantee the investment performance of any investment offered or the repayment of capital. Investment in the Fund is subject to investment risk including loss of income and capital invested. Any defined benefits are subject to the continuation of employer funding to the Fund. The information provided in this report is in accordance with the requirements of the Corporations Act 2001. The report also summarises recent changes to the Fund and some legislative changes that may be relevant to your superannuation.

Any information is of a general nature only and has been prepared without taking into account your investment objectives, financial situation and needs. Before making any investment decisions in relation to the Fund, you should obtain professional financial advice from a licensed or authorised financial adviser.

Whilst all due care has been taken in the preparation of this Annual Report, the Trustee reserves its right to correct any errors or omissions.

The terms of your membership in the Fund are set out in the Fund's Trust Deed. Should there be any inconsistency between this Annual Report and the Fund's Trust Deed, the terms of the Fund's Trust Deed will prevail.

## MESSAGE FROM THE TRUSTEE

The Trustee is pleased to present this Annual Report ("Report") to the members of the Fund for the year ended 31<sup>st</sup> December 2023.

The University of New South Wales Professorial Superannuation Fund ("Fund") is designed to provide security for you and your Dependents in the form of the payment of lifetime pensions. The Report provides you with an update on the Fund's performance, financial progress and overall operation, along with information on recent changes to superannuation resulting from new legislation.

The Trustee encourages you to take the time to read the Report. Should you have any queries or require further information, please contact the Fund Administrator (details provided on the Page 17).

### Overview of the year \$'000

■ Total employer contributions	\$106
■ Benefits paid	\$3,820
■ Net Assets available for Member's benefits:	\$24,612
■ Membership at 31 Dec 2023:	
- Deferred Pensioner	1
- Pensioners	65

## WHO RUNS THE FUND?

The Fund is set up as a Trust and is governed by a legal document called the Trust Deed. The Trustee is responsible for managing the Fund in accordance with the Trust Deed.

The Directors of Diversa Trustees from 1 January 2023 to 31 December 2023 were:

Mr Vin Plant (Chairperson)  
Mr Andrew Peterson  
Ms Fiona McNabb  
Mr Ron Beard  
Ms Sue Thomas  
Mr Mark Walter

There were no penalties imposed on responsible persons under S38A of the SIS Act in the Reporting period ending 31<sup>st</sup> December 2023.

## TRUSTEE INDEMNITY INSURANCE

The Trustee has access to indemnity insurance to help protect the Trustee, its Directors and the Fund against certain liabilities, that is consistent with the size and nature of its business and industry standards. As with any insurance, the indemnity is subject to the terms and conditions of the relevant insurance policy.

## ANNUAL MEMBER MEETING

Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Act 2019 introduced a new requirement for superannuation funds to hold annual member meetings. The Trustee will advise the date of the 2023 meeting.

## POLICY COMMITTEE

Superannuation legislation provides for Policy Committees to be formed to facilitate effective communication between the Trustee and members.

Policy Committees provide an avenue for members to enquire into and express their opinions about the Fund's investments, administration and communications.

The Fund's Policy Committee consists of an equal number of employer ("Employer") and employee ("Member") representatives.

As at 31<sup>st</sup> December 2023, the members of the Fund's Policy Committee were:

### Employer appointed representative

Mr Marcus Marengi

### Member elected representative

To be elected

## SERVICE PROVIDERS

The Trustee can delegate some of its functions and appoint various specialists to assist in the operation of the Fund. During the year ended 31<sup>st</sup> December 2023 the Fund's service providers included:

### **Fund Administrator and General Consultant**

Iress Limited

### **Pension Administrator**

Iress Limited

### **Asset Consultant**

Mercer Consulting (Australia) Pty Ltd

### **Actuary**

Aon Risk Services Australia Limited

### **External Auditor**

Deloitte Touche Tohmatsu

### **Underlying Investment Managers**

Vanguard Investments Australia Ltd

Note: the underlying managers utilised for investments by the Fund may be changed from time to time at the absolute discretion of the Trustee. They are shown in this report to provide historical information about the investments of the Fund during the year. You have no ability to choose the underlying managers utilised by the Trustee.

## FUND INVESTMENTS

### INVESTMENT OBJECTIVE

The investment objective for the Fund's assets are to achieve:

- a rate of return exceeding CPI +3% p.a. over 3, 5 and 7 year periods; and
- above average performance versus comparable surveyed investments

**The investment objectives are not a promise or guarantee of any particular benefit or return. The objectives are used to measure the performance of the Fund's investments.**

### INVESTMENT STRATEGY

To achieve the stated objectives, the Trustee has adopted a strategy of investing the Fund's assets in the Vanguard Balanced Index Fund and Vanguard Growth Index Fund with a 20% and 80% allocation in each fund respectively. Note: Actual asset allocations may vary from time to time.

## ACTUAL INVESTMENTS

At 31<sup>st</sup> December 2023, the assets held in the fund were invested as follows:

	Target Portfolio Weighting	Actual Investment \$	Actual Portfolio Weighting
Vanguard Growth Index Fund	80%	19,561,000	79.6%
Vanguard Balanced Index Fund	20%	3,968,000	16.1%
Cash at bank		1,057,000	4.3%
		<b>24,586,000</b>	<b>100%</b>

## ASSET ALLOCATION

The asset allocation of the Fund at 31<sup>st</sup> December 2023 and 31<sup>st</sup> December 2022 was as follows:

### 31 December 2023

Asset Class	(\$)	%
Australian Equities	6,390,048	26
International Equities	9,375,360	38
Fixed Interest	7,845,696	32
Cash	1,060,896	4
<b>Total</b>	<b>24,672,000</b>	<b>100</b>

### 31 December 2022

Asset Class	(\$)	%
Australian Equities	6,909,378	27
International Equities	10,087,321	39
Fixed Interest	8,306,135	33
Cash	213,447	1
<b>Total*</b>	<b>25,516,281</b>	<b>100</b>

## INVESTMENT RETURNS

The returns (before tax and after investment management fees) for the Fund for the last five years were:

Year ended 31 December	Return % p.a.
2023	13.06
2022	-10.02
2021	13.20
2020	2.73
2019	17.05
5-year compound average	6.73

The Trustee closely monitors the Fund's investments to ensure that each underlying investment manager and their investment continues to meet the Fund's long-term investment objectives.

## INVESTMENT PERFORMANCE AGAINST OBJECTIVES

Whilst investment performance impacts the cost to the University of providing the Fund's pension benefits, the levels of pensions are determined based on several factors including AWOTE Public Sector indexation and actual professorial salaries (see below) and are unaffected by investment performance.

Investment performance may impact contributions or benefits in some circumstances (refer to 'Contributory Pension Information' on page 7 for a summary of these circumstances). The earning rate is based on the investment returns of the Fund's assets from year to year, taking into account the income earned by those assets and relevant expenses.

The investment objective to achieve a rate of return exceeding CPI + 3% over 3, 5 and 7 years was achieved except for 3 years return.

For the second investment objective for above average performance against comparable surveyed investments, this was met for the long term but has underperformed latest 3 year periods.

## INVESTMENT MANAGEMENT

### ASSET CONSULTANT

The Trustee utilises an independent asset consultant to provide advice regarding the investments of the Fund. During the year to 31<sup>st</sup> December 2023 the asset consultant to the Fund was Mercer Consulting (Australia) Pty Ltd.

The investments of the Fund are monitored by the asset consultant on an ongoing basis and reported via quarterly investment reports, which are reviewed by the Trustee. Investment managers may be appointed and removed by the Trustee, giving due consideration to any recommendations of the asset consultant. Any decision to appoint/remove a manager or to change an investment is undertaken with regard to the Fund's investment objectives and based upon an assessment of the manager's style and performance, as well as its fit with the other managers utilised by the Fund, in accordance with the Fund's Investment Objectives and Strategy Policy.

## DERIVATIVES

The Trustee does not directly invest any of the assets of the Fund in derivative securities such as options, futures or swaps. The underlying fund managers appointed by the Trustee may utilise derivatives to manage the risk and liquidity of their portfolios. They do not invest in derivatives for speculative purposes.

## GENERAL INVESTMENT MARKET OVERVIEW

Note: This market overview has been provided by an Asset Consultant. It provides general information only about the performance of the investment market during the year to 31<sup>st</sup> December 2023. Past performance is not a reliable indicator of future performance.

2022-2023 Calendar Year has undeniably been one of turbulence. From geo-political turmoil in Eastern Europe, Middle East, and Africa, to a Chinese real estate crisis, and surging inflation around the world, investors have endured the lot. 2022-2023 has been dominated by inflation, interest rates, geopolitical concerns, conflict, and fiscal policies. Whilst 2023 closed in a stronger position than 2022, investor sentiment and volatility from these macro issues remain heightened.

Despite this volatility and uncertainty, the Australian economy remains resilient with low unemployment and robust Gross Domestic Product growth. However, inflation has been stubbornly high peaking at 8.4% in December 2022 to end the year at around 4.5%. The argument that we are close to reaching a peak in interest rates has grown as we move into 2024. Over 2023 the Australian Reserve Bank of Australia hiked interest rates five times from 3.10% to 4.35% to quash rising inflation.

The US is faring better than Australia. Latest GDP figures from the US show an annual rate of 4.9%, supported by increases in consumer spending and inventory investment. Recent US inflation figures

revealing an annual inflation rate of just 3.2% (down from highs of 9.1% in June), with a strong indication that the US is close to taking the step to slowly take their foot of the monetary pedal and start easing interest rates down.

However, it has been a different story in the Euro area, which has been teetering for much of the year on the brink of a technical recession. Just like the US, inflation has come down significantly after the European Central Bank imposed seven interest rate increases over 2023 to end the year on a rate of 4.00%. But industrial activity and GDP growth has been weak, especially in Germany.

The wars in Eastern Europe and the Middle East are likely to continue through 2024 but the signs are that energy inflation in both the US and Europe returns to 2 to 3% range in 2024. In turn, this paves the way for future rate cuts as most economies grapple with sluggish growth, trade fragmentation and deteriorating fiscal positions.

2024 is shaping up differently, there are some positive factors for the market. Inflation is more under control, and interest rates, while perhaps not immediately coming down may at least be starting to stabilise. Geopolitical tensions, and conflict are still prevalent, but there seem to be signs of a warming relationship between Australia and China that could lead to an improved trade environment.

It is expected that economic growth will continue to slow for at least the first half of 2024, but it is unlikely that Australia will move into a recession. Unemployment remains low, and the resumption of strong immigration, and population growth will likely underpin the economy. While the year ahead is likely to be tricky, the Australian economy appears well positioned to outperform developed market peers.

The good news for investors in 2024 is that much of the risk has now been factored into markets – geopolitical, recession fears, interest rates, inflation, regulation, taxation. There are still headwinds, but this kind of environment is generally an opportune time to invest.

It is anticipated that the average balanced growth superannuation fund (60% – 76% Growth Assets) would have returned 9% for the 12 months to 31 December 2023 and is expected to fully regain the CY22 losses. December was a very strong month for balanced options, returning around 3% for the month. Strong results for the year can be attributed to superior performance from international shares, especially US technology stocks, and the major European share markets. Fixed interest securities bounced back from last year's negative returns to outperform cash.

## PENSION INDEXATION

Under the rules of the Fund, the Professorial Salary used to determine the pensions payable is increased each 31<sup>st</sup> January with the annual change in the most recently published Average Weekly Ordinary Time Earnings (AWOTE) Public Sector index, except that this Salary is subject to not being less than the Professorial Salary under the current University Enterprise Agreement. The Professorial Salary used to determine Fund pensions may therefore increase on 31 January and/or on the date of increase in salaries under the EBA.

The below table shows the calculation of the Trust Deed Professorial Salary using this methodology:

Effective Date	Most recent AWOTE indexation	Indexed Professorial Salary	EBA Salary	EBA Indexation	Trust Deed Professorial Salary (greater of)	Pension fortnightly payment based on 25% Professorial Salary
1-Jan-21		200,655	203,251	1.00%	203,251.00	1,954.34
31-Jan-21	\$0	207,718	203,251	0.00%	207,718.00	1,997.29
1-Jul-21		207,718	205,283	1.00%	207,718.00	1,997.29
1-Jan-22		207,718	207,336	1.00%	207,718.00	1,997.29
31-Jan-22	\$0	211,270	207,336	0.00%	211,270.00	2,031.44
1-Jul-22		211,270	2097,336	1.00%	211,270.00	2,031.44
1-Jan-23		211,270	207,336	1.00%	211,270.00	2,031.44
1-Sep-23		217,418	221,974	6.00%	221,974.00	2,134.37

## CONTRIBUTORY PENSION INFORMATION

If you leave the Fund prior to age 60 and you have made contributions to fund the Additional Contributory Pension ("ACP") and/or the Voluntary Spouse Pension ("VSP"), these contributions will be returned (or rolled over, if a condition of release has not been met) with any applicable earnings. The contributions and applicable earnings are accumulated in the ACP and VSP accounts.

Following commencement of your pension from the Fund, if you predecease your spouse and your spouse has an entitlement to the VSP, the pension payments will automatically revert to your spouse, at the applicable rate.

If your spouse (in respect of whom you made VSP contributions) predeceases you or you are divorced, contributions you made towards the VSP will be returned to you (subject to you satisfying a condition of release) with any applicable earnings.

The earning rates applicable to members' ACP and VSP accounts are the investment returns of the Fund assets shown on page 5.

## ACTUARIAL REVIEW

A formal actuarial review of the Fund was last completed effective 31 December 2023. The purpose of the actuarial review is for the Fund's actuary, Ms. Saffron Sweeney of Aon Solutions Australia Limited, to investigate the financial position of the Fund and to make recommendations regarding the level of future contributions to be made by the University to ensure that the Fund remains in an adequate financial position and defined benefits (pension payments) can be met for the duration of each member's life as well as Fund expenses.

The University makes regular contributions towards both the Contributory and Non-Contributory Pensions when required. Contributions are made in accordance with the actuary's recommendations from time to time.

As a part of the review, the actuary determined that the Fund's Vested Benefit Index ("VBI") (measuring the coverage of the value of the Fund's pension benefits by Fund assets) was 100.4% as at 31<sup>st</sup> December 2023.

To ensure that the Fund is in a satisfactory financial position, it is essential that the Vested Benefits Index is kept above 100 percent. The Vested Benefits Index was at a level at 31<sup>st</sup> December 2023.

In accordance with SPS 160, the Trustee has set a Shortfall Limit of 96.5 percent. This is the extent to which the Trustee considers the Fund can be underfunded (on the basis that assets are insufficient to meet all members' Vested Benefits) but retain a reasonable expectation of returning to a funded position within a year, solely due to a correction to temporary negative market fluctuations in the value of the Fund assets.

This Shortfall Limit is to be compared to the Vested Benefits Index i.e. the ratio of assets and Vested Benefit liabilities.

The Vested Benefit Index at 31<sup>st</sup> December 2023 was 100.4 percent. Therefore, the Fund has not fallen below the Shortfall Limit at the valuation date of 31<sup>st</sup> December 2023.

## Operational Risk Financial Reserve

The Fund has an Operational Risk Reserve ("ORR") which is intended to provide adequate financial resources to address potential losses arising from operational risks (as defined under superannuation laws) that may affect the Fund's business operations, for example, losses resulting from inadequate or failed internal processes, people and systems or from external events.

The Trustee had set a funding target for the ORR reserve of 0.25% of net assets available for member's benefit. The reserve has met the funding target as at 31<sup>st</sup> December 2023.

The ORR is held with the Vanguard Diversified Balanced Index and the Vanguard Diversified Growth Index.

The Fund's ORR as at 31<sup>st</sup> December over the past 3 years were as follows:

Year	Value (\$)
31 December 2021	87,615
31 December 2022	78,436
31 December 2023	86,514



## FINANCIAL STATEMENTS

A summary of the Fund's audited accounts for the year ended 31<sup>st</sup> December 2023 is presented below. The full audited accounts and auditor's report are available on request or for inspection by contacting the Fund Administrator.

<b>STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023</b>	<b>2023 \$'000</b>	<b>2022 \$'000</b>
<b>ASSETS</b>		
Cash and cash equivalents	1,057	213
<b>RECEIVABLES</b>		
GST receivable	3	8
Trust distribution receivable	83	87
Contribution receivable	-	132
Income tax refundable	41	105
<b>INVESTMENTS</b>		
Units in wholesale trusts	23,615	25,303
<b>OTHER ASSETS</b>		
Deferred tax assets	5	13
<b>TOTAL ASSETS</b>	<b>24,804</b>	<b>25,861</b>
<b>LIABILITIES</b>		
Benefits payable	101	230
Accrued charges	91	125
<b>TOTAL LIABILITIES (excluding member benefits)</b>	<b>192</b>	<b>355</b>
<b>NET ASSETS AVAILABLE FOR MEMBERS' BENEFITS</b>	<b>24,612</b>	<b>25,506</b>
<b>Member Benefits</b>		
Defined benefit member liabilities	26,620	28,298
<b>Total member benefits</b>	<b>26,620</b>	<b>28,298</b>
<b>TOTAL NET ASSETS</b>	<b>(2,008)</b>	<b>(2,792)</b>
<b>EQUITY</b>		
Operational risk reserve	87	78
Defined benefits that are underfunded	(2,095)	(2,870)
<b>TOTAL EQUITY</b>	<b>(2,008)</b>	<b>(2,792)</b>

<b>INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023</b>	<b>2023 \$'000</b>	<b>2022 \$'000</b>
<b>SUPERANNUATION ACTIVITIES</b>		
<b>REVENUE</b>		
Interest	22	2
Trust distributions	615	990
Movement in fair values	2,465	(4,266)
<b>TOTAL REVENUE</b>	<b>3,102</b>	<b>(3,274)</b>
<b>EXPENSES</b>		
Investment expenses	(39)	(63)
General administration expense	(280)	(318)
<b>TOTAL EXPENSES</b>	<b>(319)</b>	<b>(381)</b>
<b>OPERATING RESULTS BEFORE INCOME TAX</b>	<b>2,783</b>	<b>(3,655)</b>
Income tax benefit	53	161
<b>OPERATING RESULTS AFTER INCOME TAX</b>	<b>2,836</b>	<b>(3,494)</b>
Net change in defined benefit members' accrued benefits	(2,052)	(1,944)
<b>OPERATING RESULTS</b>	<b>784</b>	<b>(5,438)</b>

<b>STATEMENT OF CHANGES IN MEMBER BENEFITS FOR THE YEAR ENDED 31 DECEMBER</b>	<b>2023 \$'000</b>	<b>2022 \$'000</b>
<b>OPENING BALANCE OF MEMBER BENEFITS AT 1 JANUARY</b>	<b>28,298</b>	<b>29,927</b>
Contributions:		
Employer	106	264
Income tax on contributions	(16)	(40)
<b>NET AFTER TAX CONTRIBUTIONS</b>	<b>90</b>	<b>224</b>
Benefit payments	(3,820)	(3,797)
Net change in defined benefit member accrued benefits	2,052	1,944
<b>CLOSING BALANCE OF MEMBER BENEFITS AT 31 DECEMBER</b>	<b>26,620</b>	<b>28,298</b>

<b>STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023</b>	<b>Operational Risk Reserve \$'000</b>	<b>Defined benefits over funded \$'000</b>	<b>Total equity \$'000</b>
<b>Opening balance as at 1 January 2023</b>	78	(2,870)	(2,792)
Profit/(Loss) after income tax	9	775	784
<b>Closing balance as at 31 December 2023</b>	<b>87</b>	<b>(2,095)</b>	<b>(2,008)</b>
<b>Opening balance as at 1 January 2022</b>	88	2,558	2,646
Profit/(Loss) after income tax	(10)	(5,428)	(5,438)
<b>Closing balance as at 31 December 2022</b>	<b>78</b>	<b>(2,870)</b>	<b>(2,792)</b>

## GENERAL INFORMATION

### FEES AND COSTS

For the year ended 31<sup>st</sup> December 2023, all expenses relating to the management and operation of the Fund were met from Fund assets.

In determining the rate at which investment returns are allocated to members' Additional Contributory Pension accounts and the Surviving Spouses' Pension accounts, any investment management fees are taken into consideration before an earning rate is determined.

Please refer to page 5 of this report for further information on the earning rate.

### TAXATION OF BENEFITS

#### Current pensioner members

The taxation treatment of the Non-Contributory Pension ("NCP") depends on whether it is received from a 'taxed source' or an 'untaxed source'.

Subject to the University's contribution arrangements (see below), pensioners have the option to receive the NCP as either:

- A pension from a taxed source - in which case the NCP is excluded from assessable income and is therefore tax-free; or
- A pension from an untaxed source - in this case, the NCP is taxed as assessable income in your hands, however you will be entitled to a 10% taxation offset.

However, if you fail to make an election, your NCP will be paid as a pension from a taxed source until you instruct us otherwise.

Also, subject to the University's contribution arrangements, if you are currently in receipt of the NCP from an untaxed source, you may change your election.

It is important to note that the option to receive the NCP from an untaxed source is only available in years when the University is making contributions to the Fund.

Please contact the Fund Administrator (contact details provided on the page 17) if you wish to exercise or alter your preference or want to find out more about the availability of this option.

Please note that if you are over age 60 and receiving an Additional Contributory or Voluntary Spouse Pension, this will always be paid to you from a taxed source and is therefore tax-free.

#### Prospective pension members

On your retirement from the University, on or after age 60, you will be entitled to receive an NCP from the Fund. The taxation treatment of the NCP will depend on whether it is received from a 'taxed source' or an 'untaxed source'.

Accordingly, subject to Trustee approval and subject to the option to receive a pension from an untaxed source being available (see below), upon your retirement you may elect to receive your NCP as either:

- A pension from a taxed source; or
- A pension from an untaxed source

(as described above for current pensioners).

However, if you fail to make an election, your NCP will be paid as a pension from a taxed source until you instruct us otherwise. If, when you retire, you also receive an Additional Contributory Pension, this will be paid to you from a taxed source and will be tax-free in your hands.

It is important to note that the option to receive the NCP from an untaxed source is only available in years when the University is making contributions to the Fund. You will be advised if the option to receive the NCP from an untaxed source is not available before payment of the pension commences.

### PROOF OF IDENTITY

Under Government legislation designed to counteract money laundering and terrorism financing you may be required to provide proof of identity prior to being able to commence your pension (called "customer identification and verification" requirements). These requirements may also be applied by the Trustee from time to time in relation to the administration of your superannuation benefits as required or considered appropriate under the Government's legislation. You will be notified of any requirements when applicable. If you do not comply with these requirements there may be consequences for you, for example, a delay in the payment of your benefits.

The Trustee is the subject of regulation by AUSTRAC which has responsibility for the Government's Anti-Money Laundering and Counter-Terrorism Financing legislation. The Trustee is required to provide yearly compliance reports to AUSTRAC and notify AUSTRAC of suspicious transactions. This may involve the provision of personal information about you to AUSTRAC.

## TAX FILE NUMBERS (“TFNs”)

Prospective pension members of the Fund are encouraged to provide their TFN to the Fund. While you are not required to provide us with your TFN, failure to do so may result in the deduction of additional tax from your superannuation benefit.

Taxation laws require superannuation funds to withhold tax at the top marginal rate on pension payments where a member has not provided their TFN.

To provide your TFN to the Fund, please contact the Fund Administrator (details provided on page 17) who will provide you with the appropriate form.

## OTHER INFORMATION

### CONFLICTS OF INTEREST

Our approach to conflict’s management is governed by a Conflicts of Interest Policy which sets out the obligations of Equity Trustees Superannuation Limited and establishes formal procedures to identify, avoid, manage, record and monitor conflicts of interest and duty that arise within our business. Conflicts identified are recorded and managed on an ongoing basis via a Register of Relevant Duties and Interests and via other relevant policies, systems and processes. Review of our Conflicts Management Framework is undertaken annually.

### ENQUIRIES AND COMPLAINTS

The Superannuation Industry (Supervision) Act 1993 (‘SIS’) requires the Trustee to take all reasonable steps to ensure that there are arrangements in place under which:

- Members or their beneficiaries have the right to enquire into, or complain about, the operation or management of the Fund; and
- Those enquiries or complaints will be properly considered and dealt with within 45 days.

It is important to distinguish between enquiries and complaints. Enquiries are requests for information about the Fund or your benefits. Complaints are expressions of dissatisfaction.

### ENQUIRIES

If you have an enquiry regarding the Fund, you should contact the Fund Administrator (contact details on provided the page 17). Enquiries can be made by email, phone or in writing. If you do not receive a satisfactory response within 28 days, you should immediately contact the Trustee (see the page 17 for contact details).

### COMPLAINTS

Complaints should generally be made in writing to the Trustee, and you should receive a response from the Trustee within 45 days.

Complaints to the Trustee should be directed to the ‘Complaints Officer’ at the following address:

#### The Complaints Officer

C/- Iress Limited  
PO Box 1282  
Albury NSW 2640  
☎(02) 8099 4058

## AUSTRALIAN FINANCIAL COMPLAINTS AUTHORITY

If you are not satisfied with the Trustee’s handling of your complaint or their decision, or the Trustee does not respond within 45 days, you may contact the Australian Financial Complaints Authority (AFCA). You can also take your complaint directly to AFCA. AFCA is an independent body set up by the Federal Government to assist members or beneficiaries to resolve certain types of complaints with fund trustees.

AFCA may be able to assist you to resolve your complaint if you are not satisfied with the response received from the Trustee’s handling of your complaint. You can also contact AFCA directly. If they accept your complaint, it may attempt to resolve the matter through conciliation, which involves assisting you and the Trustee to come to a mutual agreement.

If conciliation is unsuccessful, the complaint is referred to AFCA for a determination which is binding.

You should be aware, however, that a party may appeal a decision of the AFCA to the Federal Court.

If you wish to find out whether the Tribunal can handle your complaint and the type of information you would need to provide, the contact details for the Tribunal are provided below:

#### Australian Financial Complaints Authority

GPO Box 3  
Melbourne VIC 3001  
☎1800 931 678

## Legislative update

### News in Superannuation

There were several changes to the superannuation regulatory landscape during the 2023 financial year. Some of the most significant changes were announced in the 2023 Federal Budget. The information below was compiled as at June 2024, and is subject to change. For up-to-date information relating to taxation of superannuation, go to [ato.gov.au](http://ato.gov.au) or contact the Fund.

There were several changes in superannuation during the 2023 financial year. Key changes are detailed below.

#### **Superannuation Guarantee Percentage**

The Superannuation Guarantee rate (SG rate), which is the minimum amount of super your employer legally must pay to your super, increased from 10.5% to 11% on 1 July 2023. It will increase again on 1 July 2024 from 11% to 11.5%.

Period	General Super Guarantee (%)
1 July 2022 – 30 June 2023	10.5
1 July 2023 – 30 June 2024	11.0
1 July 2024 – 30 June 2025	11.5
1 July 2025 – 30 June 2026 and onwards	12.0

#### **2023 Budget Changes**

##### **Downsizer Contributions – Eligibility Age**

Subject to eligibility requirements, an individual member can contribute up to \$300,000 from the proceeds of the sale (or part sale) of their home into their superannuation fund, providing them with a one-off way to contribute additional funds to their superannuation. On 1 July 2022 the eligibility age for making a downsizer contribution changed from 65 years or older, to 60 years or older. The eligibility age changed again on 1 January 2023 from 60 years or older, to 55 years or older. These changes allow more Australians to make use of this superannuation scheme if they consider it suitable for their situation, and they meet all the eligibility requirements. For more information on superannuation downsizer contributions and eligibility requirements please visit the ATO website at [www.ato.gov.au](http://www.ato.gov.au).

##### **Transfer Balance Cap**

The general transfer balance cap (TBC), being the amount of money that you can transfer into a tax-free retirement account, increased from \$1.7 million to \$1.9 million. If an individual's transfer balance account (TBA) reached \$1.7m or more at any point before 1 July 2023, their TBC after 1 July 2023 would remain at \$1.7m. If the highest amount in their account was less than \$1.7m, then their cap is proportionally indexed based on the highest ever balance their TBA reached.

##### **Pension Minimum Drawdown Rates**

During the COVID-19 pandemic the Federal Government temporarily reduced the minimum pension drawdown rates for pension members to allow for greater flexibility. This was first put in place for the 2019/20 financial year and was later extended to the end of 2022/23. From 1 July 2023, the reduction to minimum drawdowns came to an end, and the standard default minimum drawdown rates applied.

Age	2019–20 to 2022–23 income years (inclusive)	2023-24 income years and onwards
Preservation Age to 64	2%	4%
65 to 74	2.5%	5%
75 to 79	3%	6%
80 to 84	3.5%	7%
85 to 89	4.5%	9%
90 to 94	5.5%	11%
95 and over	7%	14%

## **2022 Budget Changes**

### **Repealing the Work Test for Voluntary Super Contributions**

Prior to 1 July 2022, if a member was aged 67 to 74 years old you could only make or receive voluntary contributions (both concessional and non-concessional) if you met the 'work test'. That is, you must have worked at least 40 hours over a 30-day period in the relevant financial year. From 1 July 2022, this requirement has been removed. **Note:** members may still need to meet the work test to claim a personal superannuation contribution deduction.

### **Eligibility changes to the bring forward Arrangements**

From 1 July 2022, if a member is under 75 years of age at any time in a financial year (previously 67 years of age before 1 July 2022) you may be able to make non-concessional contributions of up to three times the annual non-concessional cap in that financial year.

**Note:** Eligibility for the bring-forward arrangement depends on your:

- age, and
- total super balance on 30 June of the previous financial year.

Further eligibility criteria may apply, go to [ato.gov.au](https://ato.gov.au) or contact the Fund.

### **Increasing the First Home Super Saver Maximum**

The First Home Super Saver (FHSS) allows people to save money for their first home inside their super fund. Members can do this by making voluntary concessional (before-tax) and voluntary non concessional (after-tax) contributions into their super. This can help first home buyers save faster with the concessional (lower) tax treatment of superannuation. You can then apply to release these voluntary contributions, along with associated earnings, to help purchase your first home. From 1 July 2022, the amount of eligible contributions that count towards the maximum releasable amount changed from \$30,000 to \$50,000.

**Note:** Eligibility criteria for the First Home Super Saver Scheme include:

- You need to occupy the premises you buy or intend to as soon as practicable.
- You intend to occupy the property for at least six months within the first 12 months you own it, after it is practical to move in.

Further eligibility criteria may apply, go to [ato.gov.au](https://ato.gov.au) or contact the Fund.

### **Removing the \$450 per month threshold for super guarantee eligibility**

From 1 July 2022, employers are required to make super guarantee contributions to their eligible employee's super fund regardless of how much the employee is paid, removing the longstanding \$450 threshold (i.e. removal of the \$450 per month threshold). Employees must still satisfy other super guarantee eligibility requirements to be eligible for employer superannuation contributions. For further information go to [ato.gov.au](http://ato.gov.au) or contact the Fund.

### **Key Cap and Threshold Changes**

<b>Key Caps and Thresholds</b>		
<b>Name</b>	<b>2023/24</b>	<b>2024/25</b>
Super Guarantee (SG) contributions	11%	11.5%
Concessional contributions cap	\$27,500	\$30,000
Concessional Contribution Cap - Carry Forward <b>Note:</b> Up to 5 previous years of unused concessional contribution caps	\$137,500	\$150,000
Non-concessional contribution cap	\$110,000	\$120,000
Non-Concessional Contribution Cap - Bring-Forward Arrangement <b>Note:</b> up to 3 previous years of unused non-concessional contribution cap - subject to total super balance threshold	\$330,000	\$360,000
Non-Concessional Contribution Cap – Total Super Balance Thresholds	<ul style="list-style-type: none"> <li>• &gt;\$1.9M = \$0</li> <li>• \$1.79M to &lt;\$1.9M = \$110K (Over 1 year)</li> <li>• \$1.68M to &lt;\$1.79M = \$220K (Over 2 years)</li> <li>• &lt;\$1.68M = \$330k (Over 3 years)</li> </ul>	<ul style="list-style-type: none"> <li>• &gt;\$1.9M = \$0</li> <li>• \$1.78M to &lt;\$1.9M = \$120K (Over 1 year)</li> <li>• \$1.66M to &lt;\$1.78M = \$240K (Over 2 years)</li> <li>• &lt;\$1.66M = \$360k (Over 3 years)</li> </ul>
Government Co-Contribution – Upper Threshold	\$58,445	\$60,400
Government Co-Contribution – Lower Threshold	\$43,445	\$45,400
CGT cap	\$1,705,000	\$1,780,000
Low-rate cap	\$230,000	\$235,000
Untaxed Plan Cap	\$1,705,000	\$1,780,000



For more information on superannuation caps and thresholds please visit the ATO website at [www.ato.gov.au](http://www.ato.gov.au).

**More Information:** For more information on superannuation guarantee percentages, downsizer contributions and eligibility requirements, transfer balance caps, and minimum drawdown rates for pensions superannuation please visit the ATO website at [www.ato.gov.au](http://www.ato.gov.au) or contact the fund.

**Important Information:** The information provided here is general in nature and has been prepared without taking into account your own objectives, financial situation, and needs. Before making decisions based on the information provided, you should consider how appropriate this information is for your individual circumstances, consider doing your own research, and consider seeking independent professional advice

## INFORMATION ON REQUEST

The Fund Administrator can provide you with information on request to assist you in further understanding the Fund's operations and your benefits. Such information includes:

- The Fund's Trust Deed and rules;
- The latest audited accounts and reports;
- Information about your benefit entitlements;
- The latest actuarial investigation report;
- All member forms; and
- Any other information that may help you understand particular investments of the Fund or management, financial condition and performance of the Fund.

## CONTACT DETAILS

For further information regarding the management of the UNSW Professorial Superannuation Fund, please contact the Fund as follows:

<p style="text-align: center;"><b>Fund Administrator</b> Iress Limited PO Box 1282 Albury NSW 2640  UNSWProfSuper@onevue.com.au  (02) 8099 4058  (02) 8022 7448</p>
<p style="text-align: center;"><b>Trustee</b> Diversa Trustees Limited GPO Box 3001 Melbourne VIC 3001  (03) 9097 2800</p>
<p style="text-align: center;"><b>Diversa Trustees Limited</b>  (RSE Licence No. L0000635, ABN 49 006 421 638, AFSL No. 235153) as Trustee for the <b>The University of New South Wales Professorial Superannuation Fund</b></p>