



Built on trust



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Our reporting suite

Cbus Annual Integrated Report 2019

Produced in accordance with the International Integrated Reporting <IR> Framework.
Focuses on material matters and how we create value for our members and other stakeholders.



Cbus in Review 2019

Supports the Annual Integrated Report and includes developments in the fund in the last 12 months.



Supplements



Responsible Investment

Provides information about our approach to responsible investment, including our active involvement in environmental, social and governance (ESG) issues and transitioning to a climate resilient economy.

Prepared using the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) and with recommendations from the Taskforce on Climate-related Financial Disclosures (TCFD).



www.cbussuper.com.au/cs/responsible-investment

Annual Financial Statements

Sets out the financial statements for our regulators and other stakeholders.

Prepared in line with the Australian Accounting Standards; *Superannuation Industry (Supervision) Act 1993* and *Superannuation Industry (Supervision) Regulations 1994*, the *Corporations Act 2001* and *Corporations Regulations 2001*.



www.cbussuper.com.au/cs/annual-financial-statements
www.cbussuper.com.au/cs/united-super-financial-report

People, Culture and Remuneration

Provides information for our current and future employees, industry delegates and other interested parties about our people and culture. Also provides remuneration information of the Cbus Board, Executive team and all Cbus employees.

Prepared using the GRI Standards.



www.cbussuper.com.au/cs/people-culture-remuneration

Governance

Provides additional information about the Governance framework at Cbus.

Prepared in accordance with the Australian Institute of Superannuation Trustees (AIST) Governance Code and using the GRI Standards.



www.cbussuper.com.au/cs/governance-framework

Engagement and Materiality

Provides detail on our approach to engagement and how we determine what matters most to Cbus stakeholders.

The result of this engagement defines our value creation and assists in identifying Cbus' material issues.

Prepared using the GRI Standards and in line with the International <IR> Framework.



www.cbussuper.com.au/cs/engagement-materiality

GRI Standards Content Index

A table containing the GRI Standards Cbus has reported on and where to locate the information linked to the standard within the Annual Integrated report, supplements and the Cbus website.



www.cbussuper.com.au/cs/gri-index

Attracting and retaining talented and engaged people

Providing members with strong long-term returns and satisfying our stakeholders' requirements means we need to attract, develop and retain the right talent.

To meet our strategic objectives, we are continuing an organisation-wide transformation program. The goal is to give our members and employers a seamless service experience. We are also growing our in-house capability where this benefits our members – for example, by internalising investments. A critical component in successfully executing the strategy is our ability to attract and retain talented and engaged people.

We expect the Fund to grow to 550 employees by June 2020 as we continue to build in-house expertise.

Organisational culture

Cbus

Our culture is a key differentiator of Cbus. It emphasises inclusion and is underpinned by our values. For more information on our culture and our employee value proposition see the 2019 Annual Integrated Report.

Cbus Property

Conducting business with honesty and integrity defines Cbus Property's operations. Cbus Property's principles and corporate values include the following:

- Conduct and grow all business and relationship dealings with integrity, openness, responsibility and accountability.
- Promote a culture that is professional, and that respects the individual and empowers employees.
- Provide a working environment that:
 - is flexible and fosters diversity
 - actively builds skills and keeps employees refreshed.
- Achieve best practice in effective workplace health and safety.
- Commit to sustainable and responsible business activities.

Remuneration

Cbus

As in previous years, we continue to review our remuneration structure to ensure it remains fit for purpose, reflects our values and is fair to all.

For information about our remuneration visit:



www.cbussuper.com.au/content/dam/cbus/files/governance/board-executive/Executive-Remuneration-Report-2018-19.pdf

Cbus Executive remuneration

The People, Culture and Remuneration Committee reviews executive remuneration and any changes must be approved by the Board.

We use multiple data comparisons to comprehensively examine Executive remuneration. The CEO conducts a review of individual performances and considers remuneration market changes to determine appropriate pay levels for each Executive team member. The People, Culture and Remuneration Committee considers outcomes of performance reviews, remuneration market inputs and CEO recommendations, and these are subject to approval by the Board.

This financial year was the second year of the variable pay program that we offer to the CEO and Executives and for select roles within our Investment team. The program includes an assessment of contribution to the Cbus strategy and business plan objectives, divisional performance results and individual performance outcomes. The variable pay opportunity is between 0% and 30% of the individual's total remuneration, with payments made progressively over a three-year period.

All Cbus Executives are employed on ongoing contracts and are excluded from Cbus industrial agreements. No Executive, including the CEO, has any termination payments included in their contract.

Executives are entitled to accrued entitlements in the event of resignation and are required to give six weeks' notice. The CEO is required to give six months' notice of resignation. All Executives are required to possess a minimum level of Tier 1 skills as set out in the Fund Governance Policy. This, together with full remuneration disclosure and biographies of the CEO and Executive team, is available on our website at:



www.cbussuper.com.au/governance
www.cbussuper.com.au/management

Cbus employee remuneration

All employees at Cbus receive fixed remuneration, which includes a cash salary, superannuation and, for some employees, leave loading. Other benefits for employees include a Health and Wellbeing Allowance and Salary Continuance Insurance. Part-time employees receive the same benefits as full-time employees, but some benefits are pro rata.

Collective bargaining agreements covered 98.6% of total employees as at 30 June 2019 (including the Executive team). Remuneration increases for employees (other than Executives) under the collective Enterprise Bargaining Agreement for the last financial year were:

- 3% for staff with a fixed remuneration (base salary plus super) of \$150,000 or less and staff under the Coordinators Agreement
- CPI (*2%) plus an additional 0.5% for staff with a fixed remuneration (base salary plus super) of more than \$150,000
- the opportunity for a once-off lump sum payment (between 0.5% and 1.5% of total remuneration) for staff with a total remuneration of more than \$150,000, paid to reflect excellent organisational performance.



www.cbussuper.com.au/content/dam/cbus/files/governance/policies/Remuneration-Policy-Summary.pdf

Cbus Property

Cbus Property employees are not covered by Collective Bargaining Agreements.

The Cbus Property Remuneration Committee assists the Cbus Property Board in developing, maintaining and implementing remuneration policies and strategy. This ensures that it reflects the needs of stakeholders, and is equitable and consistent with the general pay environment and the principles of good corporate governance.

STI Plan

Cbus Property's Employment Policy and Short Term Incentive (STI) Plan applies to all eligible Cbus Property employees, including those employed on a part time basis.

The Cbus Property Board approves the STI Plan based on the recommendations from Cbus Property's Remuneration Committee. The process is endorsed by the Cbus People, Culture and Remuneration Committee and approved by the Cbus Board.

Cbus Property had previously commissioned Deloitte Touche Tohmatsu (Deloitte) to review the STI Plan, comparing it with other Plans operated by property industry peers. Deloitte was asked to comment on the key performance metrics in the STI Plan. Deloitte found the STI Plan was:

- supportive of the 'whole of company' approach, where many competitors were not
- around the mid-point of the current market in terms of quantum of the pool
- balanced and in line with comparable STI Plans
- not complex compared to others

- encouraging very clear, compelling and careful implementation
- found to be 'structurally sound, focused, fair and defensible when scrutinised against peer plans within and beyond the Australian market'.

Deloitte also noted that Cbus Property does not pay long-term incentives such as performance rights, employee share acquisition plans, deferred share purchase agreements and loans.

The annual compensation ratio for Cbus Property's highest paid individual to the median annual total compensation of all Cbus Property employees (ex the highest paid individual) was 1:4.7 at 30 June 2019.

Diversity, inclusion and gender equality

As an employer, we focus on providing an inclusive workplace culture to attract a diverse pool of talent, so we can provide better outcomes to members. Our Diversity and Inclusion Policy seeks to remove barriers that prevent all genders from achieving equality in the workplace.

The Cbus Diversity and Inclusion Policy sets out three priority areas for the Fund:

1. gender and gender-related matters
2. workplace flexibility
3. cultural diversity.

Staff training includes training on:

- discrimination and equal employment opportunity (mandatory compliance e-learning for all staff as part of Cbus' new starter on-boarding and induction training)
- mental health for managers (face-to-face facilitated training for our people leaders)
- family and domestic violence awareness (face-to-face facilitated training for our people leaders)
- flexible working arrangements (face-to-face facilitated training for our people leaders).

Our CEO is a member of the Male Champions of Change (MCC) Institute. The MCC works with influential leaders to redefine men's roles in taking action on gender inequality.

We also advocate for greater diversity on the boards and in the management of the companies in which we invest. Research findings indicate that high levels of workplace diversity are linked with improvements in organisational decision-making, performance, profitability, revenue generation and innovation.

Cbus Property is developing specific Positive Performance Indicators (PPIs) that will address gender diversity.

During the year, there were no reported incidents of discrimination at Cbus and Cbus Property.

See Table 5 for our gender composition of Cbus employees and governing body, by position level.

For a more detailed breakdown of Cbus' gender diversity visit:



www.cbussuper.com.au/content/dam/cbus/files/governance/reporting/Cbus-Gender-Diversity-2018-19.pdf

Gender pay equity

Our goal is to work towards a pay gap of zero.

See Table 4 for Gender pay equity figures for Cbus.

Our CEO David Atkin is a Workplace Gender Equity Agency (WGEA) Pay Equity Ambassador. **For more information about WGEA, visit:**



www.wgea.gov.au/reporting

To read the Cbus and Cbus Property WGEA reports visit:



www.cbussuper.com.au/content/dam/cbus/files/governance/reporting/Cbus-WGEA-Report-2018-19.pdf
www.cbusproperty.com.au/Portals/0/documents/Cbus%20Property%20WGEA%20Report%202018-2019.pdf?ver=2019-06-10-201920-780

Parental leave and support

Cbus

At Cbus we provide benefits that support working families, encouraging employees to continue managing their career while becoming parents. Primary carer benefits apply to all employees regardless of gender. Currently, we offer the following support to parents in their work and family commitments:

- Employees are entitled to take parental leave in association with the birth or adoption of a child in accordance with the *Fair Work Act 2009* (Cth). Each employee who has completed 12 months of continuous service and who is, or will be, the primary care giver is entitled up to 52 weeks of parental leave.
- Paid parental leave (16 weeks) is available to all new parents who meet the eligibility criteria (both primary and secondary carers). Paid parental leave can be taken at any time within 24 months of the child's birth or adoption.
- We pay 16.5% superannuation on paid leave and Superannuation Guarantee Charge (SGC) for all unpaid leave in the first 52 weeks of leave.
- The Grace Papers program supports mothers transitioning in and out of maternity leave.
- A Just For Dads program supports men in managing their career and family responsibilities.
- We provide quarterly CEO 'Keeping in touch' newsletters to employees on parental leave.
- We offer a 'return to work with confidence' one-on-one coaching program.
- We have a flexible working arrangement policy and practices (refer to flexible work in the 2019 Annual Integrated Report).

Table 11 shows Cbus parental leave figures.

Cbus Property

Cbus Property employees are entitled to take parental leave in association with the birth or adoption of a child in accordance with the Fair Work Act. Each employee who has completed 12 months of continuous service, and who is, or will be, the primary care giver is entitled to up to 52 weeks of parental leave.

Employees who take parental leave may also be entitled to the Company's Parental Leave Pay.

In the year ended 30 June 2019, one woman took parental leave while no men took parental leave.

* Source: Safe Work Australia August 2017

Professional development

Cbus

All Cbus employees participate in regular discussions to identify development opportunities and aspirations. Individual development plans form part of our performance planning process and are supported by monthly look-forward meetings.

Table 12 shows Cbus employees average training hours by gender.

Cbus employees completed an average of 18 hours of training during the year, with no difference in training across gender. We exceeded our minimum requirement of providing 'authorised representatives' of the Australian Financial Service licence (AFSL) holder with 30 hours per year of continuous professional development. On average, Cbus representatives (excluding Executives) completed an average of 43 hours of training for the year.

The intake of new employees has seen us run 11 corporate induction sessions, with a focus on aligning new employees to our values and behaviours. We also run quarterly product and insurance briefings, which are open to all employees to continue building knowledge of these key product areas.

We continue to offer development programs to our people that aim to increase corporate awareness of challenges faced in our broader community. This includes mental health and family violence awareness programs.

All Cbus employees and contractors complete online health and safety awareness training annually. This covers health and safety responsibilities, common hazards and controls, hazard and incident reporting, and emergency preparedness.

We help employees upgrade their skills through:

- continuing professional development – employees have opportunities to maintain their professional qualification through professional development training
- decentralised personal and professional growth training budget – employees agree on a plan for personal and professional growth, together with their line manager
- diversity and inclusion activity – we deliver training for all employees as part of our diversity and inclusion plan.

We provide outplacement and transition services through an outsourced provider.

Cbus Property

Cbus Property values and encourages employees to undertake training in accordance with the Cbus Property Training Guideline.

Each financial year each employee, their manager and the office manager prepare and agree an annual training plan. The training plan addresses gaps in an employee's knowledge, skills and experience, and facilitates their development.

Cbus Property has a budgeted allowance per full-time employee per annum (based on a financial year), and encourages each employee to utilise the training allowance.

Cbus Property employees completed an average of 36 hours training throughout the year.

All Cbus Property employees receive half-yearly and annual performance and career development reviews.

Occupational health and safety

Cbus

Cbus is committed to providing a safe and healthy workplace. When incidents occur they are reported to the Executive and the Board. We are proactive in supporting health and wellness activities for our employees' mental and physical health.

During the year, there were 10 work-related incidents reported and three workers compensation claims accepted. Due to increased focus on the health, safety and wellbeing of our people, we have greater visibility of our safety risks – and of incidents that occur across the organisation. We have a specialist health and safety position in our people and culture team and conduct activities to raise awareness. As a result, we have seen increased reporting of safety-related incidents and events, and this informs injury prevention activities and initiatives.

Cbus Property

Given the nature of construction work, workplace safety is extremely important for our members and sponsoring organisations (unions and employer associations). Cbus Property is committed to ensuring the health and safety of workers including employees, contractors, subcontractors and others, including tenants.

Cbus Property's vision is to foster a culture across its operations where workplace health and safety (WHS) is considered a core value – where safe behaviour is encouraged and respected, and continual improvement is considered a part of the Cbus Property work ethic. Cbus Property employees experienced no workplace fatalities, lost time injuries, near misses, first-aid injuries or medical treatment injuries over the past financial year.

For workers on Cbus Property developments (who are not Cbus Property employees), the Cbus Property rolling 12-month lost time injury frequency is 2.62, which compares to an industry average of:

- residential construction 4.0*
- non-residential construction 10.8*

Table 17 shows occupational health and safety data for workers (who are not Cbus Property employees) on Cbus Property developments.

Cbus Property maintains a comprehensive WHS risk framework, as prescribed by its WHS Policy and WHS Information and Procedures Handbook (the 'Handbook'). These documents summarise the structure and processes through which WHS information is gathered, considered and reported within Cbus Property and to the Board of Cbus Property. The arrangements and processes described in the Handbook are key to enabling compliance with obligations for the proper and effective governance of WHS within Cbus Property, through making informed decisions and monitoring performance.

Every person working for Cbus Property is expected to understand and meet their role and the requirements placed on them.

Occupational health and safety

continued

Cbus Property's WHS risk framework includes a Workplace Health and Safety Management Oversight Committee consisting of five Cbus Property employees (the Chief Operating Officer, Chief Financial Officer, Executive Manager – Asset Management, Operations Manager and the Senior Liaison Manager). This committee serves as a forum for communicating and sharing WHS information. Its responsibilities include:

- meeting on a regular basis (quarterly with interim meetings convened on the request of a committee member, CEO or Director)
- recommending relevant training and education opportunities to enhance the skill levels and WHS awareness of all workers
- reviewing WHS trends on Cbus Property sites, reviewing near misses and lost time injuries.

The Cbus Property CEO receives reports and minutes of the meetings. Workers are covered under WHS/ OH&S legislation that applies in each Australian state or territory. One hundred per cent of workers on Cbus Property development sites have representation. Workers appoint or elect a delegate(s) as their WHS representative. Health and safety meetings are held onsite. Safety walks are conducted onsite by representatives, and any issues raised are discussed with the contracting builder's management. The builder contracted for the development also conducts safety walks, which include a Cbus Property employee. Additionally, an independent safety audit may be conducted.

People, culture and remuneration data

Cbus

Table 1 – Employee headcount

	2017	2018	2019
Cbus total employees*	280	365	488
Cbus total new employees	117	132	183

* Headcount includes contractors.

Table 2 – Turnover rate

	2017	2018	2019
Cbus voluntary turnover rate	3.93%	5.90%	5.36%
Industry voluntary turnover rate*	12.70%	13%	13%
Cbus total turnover rate	7.5%	9.92%	8.78%
Industry total turnover rate*	16%	15%	16%

* FIRG Policy and Practice Report - January 2019

Table 3 – Annual compensation ratio

	2018	2019
Cbus	1:4.7	1:4.7
Finance industry median*	1:9.9	1:8.3

The annual compensation ratio is the ratio for the highest paid individual to the median annual total compensation of employees (ex the highest paid individual).

* Cbus industry mean: (FIRG General Survey & Industry Leaders 50th Percentile)

Table 4 – Gender pay equity

Age	Ratio of salaries of women to men (excluding the CEO)	
	2018	2019
Cbus		
All women	1:1.23	1:1.17
Finance industry average – all women*	1:1.39	1:1.26
Under 30	1:1.13	1:1.13
30–50	1:1.24	1:1.15
Over 50	1:1.18	1:1.15

* FIRG Annual Conference Presentation (May 2019)

People, culture and remuneration data

continued

Table 5 – Gender composition of Cbus employees and governing body, by position level

	Gender equity target	2017	2018	2019
Board*	30%	22%	28%	25%
Executive team		44%	38%	57%
Heads of		32%	43%	42%
All staff (which includes Heads of and Executive team)	50%	48%	50%	49%
Investment team	40%	43%	39%	37%

* Board statistics for FY2019 are for July 2019

Table 6 – Cbus super full-time employees by state

	VIC	NSW	QLD	OTHER	TOTAL
Permanent	325	26	10	14	375
Contract	53	4	0	0	57

Table 7 – Cbus super headcount

	2017		2018		2019	
	Males	Females	Males	Females	Males	Females
Permanent	135	127	173	163	226	200
Contract	12	6	9	20	24	38
Total employees	147	133	182	183	250	238
Full-time	142	99	165	120	220	155
Part-time	5	33	8	43	6	45
Contractors	0	1	9	20	24	38
Total employees	147	133	182	183	250	238

Headcount figures refer to all staff employed on either a full-time or part-time basis.

Contractors – employees with fixed term arrangements employed by Cbus (i.e. not permanent employees, nor agency contractors or consultants).

Full-time employee refers to all staff who are employed as full-time (i.e. 35 hours per week) and does not include part-time arrangements.

Table 8 – Cbus new employees by age grouping and gender

	2017		2018		2019	
	Males	Females	Males	Females	Males	Females
New employees	58	59	55	70	95	88
Under 30	5	4	5	6	11	17
30–50	44	47	36	56	71	65
Over 50	9	8	14	8	13	6

New employees - new permanent or fixed term staff commencing at Cbus on or after 1 July 2018 and prior to or on 30 June 2019.

Table 9 – Cbus new agency contractors by gender

	2017		2018		2019	
	Males	Females	Males	Females	Males	Females
New employees	6	12	n/a	n/a	11	17

N/A – no data available. We do not collect this information when we engage via recruitment agencies.

Table 10 – Cbus employee departures (voluntary and involuntary) by age grouping

	2017		2018		2019	
	Males	Females	Males	Females	Males	Females
New employees	11	10	18	19	21	20
Under 30	1	1	1	0	2	3
30–50	7	7	11	12	15	15
Over 50	3	2	6	7	4	2

Table 11 – Cbus parental leave

		Female (number)	Male (number)	Total (%) of employees eligible
Cbus staff commencing or continuing parental leave	FY 2019	19	11	7.96% (30/377)
	FY 2018	13	11	11.16%
Cbus staff returning from parental leave over financial year	FY 2019	8 (of 9)	9	94.44% (17/18)
	FY 2018	6	11	
Cbus staff % still employed post return to work (after 12 months)	FY 2019	100% (6/6)	90.91% (10/11)	94.12% (16/17)
	FY 2018	100%	100%	

Table 12 – Cbus employees average training hours by gender

	2017	2018	2019
Males	86	48	18*
Females	28	26	18

* The increase in employee numbers (where recruitment has been higher for non-representative staff vs. representative staff) has resulted in a lower average of training numbers in 2019. These figures do not take into account training hours from Directors.

Table 13 – Cbus Property employees headcount

	2018	2019
Cbus Property total employees *	41	38
Cbus Property total new employees	7	6

* Headcount includes contractors.

Table 14 – Cbus Property headcount and full-time employees

	FY 30/6/18*		FY 30/6/19	
	Males	Females	Males	Females
Headcount				
Full-time	24	10	23	11
Part-time	2	4	2	2
Total	26	14	25	13

	FY 30/6/18*		FY 30/6/19	
	Males	Females	Males	Females
Full-time employees				
Permanent	26	14	25	13
Contract	0	0	0	0
Total	26	14	25	13

* Revised 2018 figures

Table 15 – Turnover rate

At Cbus Property there were eight staff and two Board member departures, and five new staff hires and two new Board members during the financial year.

	2017	2018	2019
Cbus Property total turnover rate (excluding Directors)	5.7%	5.3%	20.5%

Table 16 – Annual compensation ratio

	2018	2019
Cbus Property	1:4.3	1:4.7

The annual compensation ratio is the ratio for the highest paid individual to the median annual base compensation of employees (ex the highest paid individual).

Table 17 – Occupational health and safety information for workers (who are not Cbus Property employees) on Cbus Property developments

	FY 2019	FY 2018	FY 2017
Fatalities	0	0	0
- Total hours worked	2,675,413	1,675,426	1,821,750
- Total lost time injuries	7	6	4
- Lost time injury conversion (per 1,000,000 hours)	7,000,000	6,000,000	4,000,000
- Lost time injury rate (based on per 1,000,000 hours)	2.62	3.58	2.2
Near misses	21	13	13
First-aid injuries	265	251	107
Medical treatment injuries	53	40	41

Table 18 – Cbus Property parental leave

		Female (number)/time on parental leave	Male (number)/time on parental leave
Cbus Property staff taking parental leave	FY 2019	2 (49 weeks)	none
	FY 2018	2 (63 weeks)	1 (2 weeks)
Cbus Property staff returning from parental leave over financial year	FY 2019	0	n/a
	FY 2018	2	1
Cbus Property staff % still employed post return to work (after 12 months)	FY 2019	n/a	n/a
	FY 2018	50%	100%