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Government changes to automatic insurance cover to start soon

New rules from the Australian Government will take effect on 1 April 2020.

The Government has changed the laws that apply to automatic insurance in super, which is the death and disability cover most members receive when they join Cbus.

For most Cbus members nothing will change.

If the changes do apply to you, don’t worry. We have already been (or will soon be) in contact to help you to understand how the changes affect you and what your options are.

If you’re impacted by these changes, from 1 April 2020 unless you specifically choose to have insurance you generally won’t receive automatic cover until:
- your account balance reaches $6,000, and
- you’ve turned 25 years old.

Other conditions may apply to when cover starts, such as receiving an on-time employer contribution.

Cbos has been working hard for you

Cbos with support from other industry organisations lobbied the Government to reduce the impact these changes could have on workers in dangerous jobs.

We’re pleased to report that as a result of this lobbying many members who work in dangerous jobs, and who rely on our purpose-built insurance, will now be protected from these changes.

We’re leaving you in control — and ready to help when you need it

The protection Cbus cover provides members is important where serious injury and death are real risks. We’ll continue to provide access to cover, tailored for workers in your industry, along with clear information to make sure you understand the costs and benefits of having, or not having, cover with Cbus.

See pages 4 to 5 for more important insurance updates.

Help if you don’t know what to do

For more information about these changes or to understand what they might mean for you, visit cbussuper.com.au/changes-to-your-super or call us on 1300 361 784.

You can also speak to a local Cbus Coordinator for face-to-face support — visit cbussuper.com.au/coordinators.

Government announces major retirement income system review

The Australian Government is undertaking a comprehensive review of the retirement income system.

The review has a particular focus on the age pension, compulsory super (i.e. minimum employer payments), voluntary savings, and how the Government supports Australians through retirement.

The review will look at the current state of the retirement income system, and how it’s likely to perform in the future.

Having a solid, objective understanding of the current system is crucial to making sure it can meet the changing needs of our growing, and aging, population.

Cbos will continue to advocate on behalf of our members during this review by defending the current system. This includes ensuring that members get the increase in compulsory super to 12%, that we continue to have a strong super system that covers all workers, and fair access to the age pension.
Open a Fully Retired income stream for a balance boost

If you use your existing Cbus super or Transition to Retirement (TTR) account to start a Fully Retired income stream, you could be eligible for a new tax refund from Cbus.

The amount you could get depends on your account balance and other factors, but in December 2019 eligible Cbus members received an average refund of $4,797.29, which provided a valuable boost to their retirement savings.

**You’re eligible if you meet three conditions:**

1. You transfer your existing Cbus super or TTR account balance to a Fully Retired account (on or after 2 December 2019).
2. You’ve been a Cbus super or TTR member for the previous 12 months.
3. Your balance was invested in the High Growth, Growth, Conservative Growth or Conservative options.

To find out how much you could receive, call us on 1300 361 784 (press 4) to request a balance quote, as each person will receive a different amount and estimates change daily. Our consultants can provide guidance on what may suit you and your circumstances.

Just remember that if you decide to take your super in cash or transfer it to another fund, we won’t be able to refund this amount.

For more information, including eligibility, read the *Income stream tax refund* fact sheet available at cbussuper.com.au/forms.

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**Attend an upcoming retirement planning seminar**

In 2019 we held 52 retirement planning seminars around the country and received extremely positive feedback from the members who attended.

These seminars are included as part of your membership and run for about 90 minutes. They are designed to help you understand your likely financial position at retirement, while providing information on a number of pre-retirement strategies.

To register for a session near you, visit cbussuper.com.au/seminars.
Important insurance updates

Cbus members work in some of the toughest conditions out there, so we know how important it is to make sure your insurance provides cover that’s tailored to you and your industry.

We regularly review our products to make sure they continue to meet the changing needs of our members, and have made the following updates.

Choose the level of TPD cover that’s right for you

Under the current policy, it’s not possible to have more total and permanent disablement (TPD) cover than death cover. From 1 April 2020, we’re removing this restriction, so you can apply for the level of TPD cover you need.

Extending support for members diagnosed with a terminal illness

We already provide death cover for members who die within 14 days of the insurer making a TPD payment. We’ve extended this to include diagnosis of a terminal illness within 14 days of the insurer making a TPD payment. So if you have more death cover than TPD cover, we’ll pay the death cover amount less the TPD amount already paid. This applies to claims where the diagnosis is made on or after 1 February 2020.

Fairer assessment of TPD claims

If you have TPD cover and need to make a claim, many insurance policies use a stricter assessment test if you’ve been unemployed for more than six months at the date of your disability. Under the Cbus policy we use the same ‘unlikely to return to work’ assessment test whether you’ve been unemployed for three months or 12 months. From 1 February 2020, we’ve increased this timeframe even further, so that it applies even if you’ve been out of work for up to 24 months.

If you’ve been unemployed for over 24 months at the date of your disability, we will also continue to use a more generous Cbus ‘everyday work activities’ (EWA) test, instead of the narrower ‘activities of daily living’ (ADL) test used by many other super funds.

More support for mental illness

We have also changed the EWA component of our definition of TPD to specifically address psychiatric impairment. By including this in our definition of TPD, we’re aiming to provide greater clarity in the assessment of these claims and ensure that members who can’t work due to psychiatric impairment (rather than physical incapacity) don’t face unintended hurdles in the claim process.

For more detail on what has changed, visit cbussuper.com.au/april-insurance-changes.

Binding death benefit nomination – who will get your super if you die?

Your super is your money, so make sure you’ve arranged for it to go to the right people after you’re gone. Think your Will covers that? Not necessarily.

Most people think their super automatically becomes part of their estate when they die, but it’s actually treated under different rules, and there are restrictions on who can receive your super. If you want control over who gets your super, making a binding death benefit nomination with Cbus could be right for you.

Watch our series of short videos about binding nominations to find out what it is, why you may want it, and the five essentials to get it done. Visit cbussuper.com.au/insurance#nomben.
The cost of your insurance cover is changing

If you have insurance through Cbus, from 1 April 2020 the cost of your insurance will increase, and will now be based on your age.

These changes make sure that the price you pay for your insurance more closely reflects what it costs to provide your cover.

We always keep a close eye on our insurance pricing to give you the best-value cover we can. When we last changed our pricing in September 2017, premiums for most members were substantially reduced.

However, the cost of implementing two major legislative changes along with an increase in disability claim volumes has led to an overall increase in the rates charged by our insurer. This has meant that your age now has a bigger impact on insurance costs.

If you work in a Manual occupation, this premium increase will help provide you with more cover per unit of TPD insurance (from age 51 to 60) and per unit of Death insurance (from age 60 to 64). You can see the details of the increase at the website below.

Weekly cost per unit of cover from 1 April 2020

<table>
<thead>
<tr>
<th>Age band</th>
<th>Manual</th>
<th>Non Manual and Professional</th>
<th>Electech</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Death</td>
<td>TPD</td>
<td>Death</td>
</tr>
<tr>
<td>15-24</td>
<td>$1.44</td>
<td>$1.45</td>
<td>$1.67</td>
</tr>
<tr>
<td>25-34</td>
<td>$1.49</td>
<td>$1.50</td>
<td>$1.73</td>
</tr>
<tr>
<td>35-49</td>
<td>$1.53</td>
<td>$1.55</td>
<td>$1.78</td>
</tr>
<tr>
<td>50+</td>
<td>$1.66</td>
<td>$1.69</td>
<td>$1.94</td>
</tr>
<tr>
<td>Cost before 1 April 2020</td>
<td>$1.33</td>
<td>$1.35</td>
<td>$1.55</td>
</tr>
</tbody>
</table>

These changes will apply automatically. To check the cost of your cover you can look at your statement or log in to your online account at cbussuper.com.au/login.

For more information on these changes please visit cbussuper.com.au/april-insurance-changes.

Cbus has stopped charging activity fees

On 1 February 2020, we stopped charging fees for any contribution splits, dishonoured payments or family law requests (e.g. requests for information or payment splits).

For more details, call us on 1300 361 784.
Diversification – investing in unpredictable markets

Record low interest rates has made earning an adequate income for retirement through cash investments like term deposits much harder. At the same time, frequent and unpredictable movements in share markets makes investing in shares seem a lot more risky. So, where does this leave you if you want to invest to earn the most from your retirement savings without taking on all the uncertainty that comes with shares?

The best of both worlds

Splitting, or ‘diversifying’, investments across both cash investments and shares could be one solution.

This is a very basic example of diversification that allows you to get some of the growth from higher returning assets such as shares while being insulated from some of the ups and downs that can occur when investing in the share market.

Why you shouldn’t put all your eggs in one basket

Diversification is one of the most effective strategies available to investors and works better when it’s applied across a bigger range of investments. It’s why Cbus offers our members diversified investment options that invest across many asset classes including shares, property, infrastructure, fixed interest and cash. This diverse mix of assets means that if one asset class hits a bump in the road, the rest are there to help smooth out the ride.

Investment option changes

Each year, we review the objectives and strategies of the investment options you can invest your account balance in. As a result of the 2019 review, we will be making some changes in 2020.

From 1 February 2020, the investment objectives of some of our options has changed. For some options, the return objective will be lowered slightly. There will also be a small increase in the likelihood of negative returns for some of our diversified investment options.

There are also changes to the strategic asset allocations for the diversified options that will be progressively implemented over the first half of 2020.

You can visit cbussuper.com.au/investment-news for details of the changes we are making. You can also read the Investment handbook, available from cbussuper.com.au/forms or give us a call for a copy.
Global shares continuing a strong run to close the year up almost 25%

Global share markets performed strongly through the second half of 2019, especially the last few months. Share markets were lifted by progress on the US-China ‘phase one’ trade deal.

In Australia, the RBA cash rate was cut to a historic low of 0.75%. This reflected ongoing global issues, along with sluggish economic growth in Australia and continuing low inflation. Some good news is that housing prices in key cities improved towards the end of 2019.

Strong share market performance was a key driver of the Growth (Cbus MySuper) option return of 5.12% for the six months to the end of December. Five and ten year average annual returns remain strong at 9.15% p.a. and 8.85% p.a. respectively.

The outlook for 2020 is a little better as we expect global activity to improve modestly while interest rates continue to be low. However, share markets are likely to be volatile during the year as some global tensions will continue. Recent market rises have partly been in anticipation of an improved outlook.

Performance to 31 December 2019

<table>
<thead>
<tr>
<th>Period</th>
<th>12 months</th>
<th>5 years</th>
<th>10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth (Cbus MySuper) option</td>
<td>15.07%</td>
<td>7.70%</td>
<td>7.70%</td>
</tr>
<tr>
<td>SuperRatings fund median</td>
<td>14.71%</td>
<td>9.15%</td>
<td>8.85%</td>
</tr>
</tbody>
</table>

Past performance is not a reliable indicator of future performance.

^ The return for the Growth (Cbus MySuper) option is based on the crediting rate, which is the return minus investment fees, the percentage-based administration fee and taxes. Excludes weekly administration fees.


SuperRatings is a ratings agency that collects information from super funds to enable performance comparisons – visit superratings.com.au.

Cbus is managing more investments in house

Our internal global equities team launched in October 2017 and now manages $2 billion of members’ money, saving $8 million in external manager fees. The team has delivered a strong performance of 19.71% p.a. since inception, adding $200 million in value to the portfolio.

We’re investing more into infrastructure

To offset volatility in share markets and reduced returns from low interest rates, we are investing more funds in infrastructure over the next few years. This has the potential to boost returns by $350 million over the next decade.

Interest rates remain at a record low

This impacts the return of our cash and fixed income asset classes but it also impacts investments outside of super such as term deposits and bank account interest rates.

The threat of a trade war continues

The ongoing uncertainty of a trade war between the US and China, and Brexit in Europe continues to negatively impact global share markets.

Visit our website to learn more about our investment strategy at cbussuper.com.au/investments.
Taking a responsible approach to your investments

Responsible investment is about considering the material environmental, social and governance (ESG) risks and opportunities in all investment decision making.

Managing risks and opportunities such as climate change, health and safety, human and labour rights, supply chain management and cognitive diversity, we believe improves long-term risk adjusted returns of our investments, leading to better retirement outcomes for our members.

**How does Cbus invest responsibly? We:**

**Assess** how well ESG risks and opportunities are managed when choosing a company, asset or a fund manager.

**Influence** through discussions with the company or manager or through voting at annual meetings, to improve practices so that companies are better run, less risky and more sustainable over the long term.

**Monitor** ESG performance over time through regular company reviews, manager reports and disclosures, and meetings.

**Advocate** for change. As a large and growing super fund, we can use our influence to drive better outcomes, for example, through making submissions to government consultations.

**Cbus Property and responsible investment**

Cbus Property’s actions help deliver sustainable, long-term returns for Cbus members and reflects its values as a responsible investor. Its ambition is to provide the best sustainable developments into the future.

The commitment to sustainability is articulated in Cbus Property’s Sustainability Strategy under three pillars.

1. **Better Buildings**
   - Developing buildings that meet strict environmental criteria.

2. **Investing in People**
   - Ensuring fair treatment, and safe working conditions for workers.

3. **Future Ready**
   - Targeting 90% of construction and demolition waste to be recycled from 2022.

This strategy focuses on delivering value to partners, tenants, Cbus members and the broader community through high-quality developments that provide positive environmental, social, and financial outcomes, and better long-term returns.


* ESG factors likely to have the most significant impact on the value of an investment.

Cbus Property is a wholly owned subsidiary of United Super Pty Ltd.
Small amounts now can make a big difference later

You don’t have to make big lump sum payments to help boost your super. Even a little extra makes a big difference.

- By putting $3 a day into your super, about the same as the cost of your daily coffee, you could have an additional $29,260* in retirement.

- If you take a packed lunch to work instead of buying it every day, you could save around $10 a day to put into your super. This could add up to an additional $69,667^ in retirement.

Find out more about additional contributions by visiting cbussuper.com.au/boostsuper.

The above comparison is for illustration purposes only and outcomes are not guaranteed. You should consider your own financial position, objectives and requirements before making a financial decision.

Source: Cbus Super Retirement Income Estimate calculator cbussuper.com.au/retirement-estimate. Calculation is based on certain assumptions including but not limited to the following:

* Person aged 50-years old, a starting super balance of $150,000, contributing $3 per day from take-home pay (total of $21 per week), over 15 years, with an income of $90,000 a year before tax and Superannuation Guarantee contributions at 9.5%.

^ Person aged 50-years old, a starting super balance of $150,000, contributing $10 per weekday from take-home pay (total of $50 per week), over 15 years, with an income of $90,000 a year before tax and Superannuation Guarantee contributions at 9.5%.

The default investment returns assumed in the calculation, are based on the expected long term average returns for the Cbus default investment options – Growth (Cbus MySuper) over the accumulation phase and Conservative Growth over the draw down phase. Past performance is not a reliable indicator of future performance. Insurance premiums have not been included. Figures and administration fees current as at 15 January 2020. Cbus administration fees will increase on 1 February 2020.
For Neil, being a tradie is a family affair

57-year old Cbus member Neil Currie started his career as an apprentice fitter and turner, but after a friend decided to buy a couple of cranes for his transport business, Neil switched trades; he got his licence, and has now been driving cranes for over 25 years.

He is currently working at Rigweld Cranes, who were the main contractors on Southern Cross Station, and has been involved in almost every major transport and infrastructure project in Melbourne.

“The crane industry is a terrific one to be in if you’re smart about it and stay safe – there’s a lot of laughs, and it’s very much a family set up.”

Following in his footsteps

Neil’s love of trades has rubbed off on his real-life family, with each of his three sons following in his footsteps – his eldest son is a mechanical engineer, his youngest son is a glazier, and his middle son has joined him at Rigweld Cranes, also as a Crane Operator.

But even though Neil is now focussing on getting ready for retirement, he has no intention of slowing down.

“I’m not the sort of person who can do nothing, I get bored very easily! I’ll probably still do a few days a week, because I love driving cranes.”

He also has his eye on spending time with his grandkids and enjoying the great Aussie outdoors, particularly travelling around the north of the country.

“It’s a beautiful place. You could spend 20 years travelling around the top of Australia and still not see everything.”

“Cbus has been very good to me – they look after their members, they’re honest, and we get decent returns for our investment.”

Be super smart

Neil has made good use of the support available to him at Cbus, attending a Retirement Information Seminar in Mornington, and going on to have a chat with a financial adviser. He now knows exactly what he needs to do to achieve his retirement goals – primarily, making use of salary sacrifice.

“If I’d known about salary sacrifice back when my super started, I’d be retired now! Boost your super up as much as you can so your retirement can be earlier rather than later.”

Neil is a great believer in managing your money wisely and paying attention to your super. It’s never too late to make a difference.

“You’ve got to be smart enough to set yourself up for your future. In the end it is YOUR future.”

When it comes to your super, Cbus is here to help you understand your options. If you have a question, just give us a call on 1300 361 784, or have chat with one of our Coordinators when they visit your worksite.
Cbus in the community

At Cbus our members are central to how we operate, and we aim to do everything we can to meet their needs. A big part of that is making sure all members have access to appropriate advice and support with their super.

Cbus Reconciliation Action Plan

We are committed to contributing towards the social and economic wellbeing of our First Nations people. The launch of our Reconciliation Action Plan in 2017 was a first step in our reconciliation journey and in trying to understand the needs of our Aboriginal and Torres Strait Islander members.

Cbus is also a member of the AIST Indigenous Working Group, a cross-industry initiative that seeks to improve superannuation outcomes for Indigenous people.

Aboriginal and Torres Strait Islander contact centre

Cbus has embarked on a number of activities which have helped members better interact with their super, such as the launch of our Aboriginal and Torres Strait Islander contact centre on 1 May 2018.

The contact centre is resourced by trained staff who understand the unique needs of our Indigenous members, especially in relation to identity verification, literacy and different cultural practices and relationships.

In its first six months of operation, the contact centre received over 8,500 calls from members who identified as Aboriginal or Torres Strait Islander.

Call 1300 361 784 and press 1, and then 1 again to be put through to the Aboriginal and Torres Strait Islander contact centre.

Big Super Day Out

In 2019 Cbus once again partnered with First Nations Foundations to support its roadshow style event, the Big Super Day Out. Cbus Coordinators joined representatives from other super funds, the ATO and regulators to assist Indigenous Australians with their super queries.

The event travelled to Darwin, Kununurra and Broome, where we engaged with a collective $4.4 million in super.
Your coordinators

Local Cbus Coordinators give you personal, face-to-face support. Get in contact today if you need help or to organise a workplace information session.

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Victoria

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adrien.baldwin@cbussuper.com.au

Contact us

1300 361 784 8am to 8pm (AEST / AEDT)
Monday to Friday, closed on national public holidays

Cbus has fact sheets available in your language to help you understand your superannuation. You can download a copy at cbussuper.com.au

Cbus has a disponizione delle schede informative nella vostra lingua per aiutarti a comprendere tutto quello che riguarda il vostro pensionamento. Potete scaricare una copia sul sito cbussuper.com.au

Cbus has ha disposición de las fichas informativas en su idioma para ayudarte a entender todo lo que se refiere a su pensión. Puede descargar una copia en el sitio cbussuper.com.au

Cbus has a disposição de folhetos informativos em seu idioma para ajudar a entender tudo o que se refere à sua pensão. Pode baixar uma cópia no site cbussuper.com.au

Cbus has ha disponibilità di foglietti informativi nella lingua del singolo per aiutare a capire tutto quanto riguarda il proprio pensionamento. È possibile scaricare una copia dal sito cbussuper.com.au

Cbus tiene hojas de datos en su idioma que le permitirán comprender su super. Usted puede descargar una copia en el sitio cbussuper.com.au

Cbus has a disponibilidad de hojas informativas en su idioma para ayudarlo a entender todo lo que concierne a su pensión. También puede descargar una copia en el sitio cbussuper.com.au

Cbus has a disponibilidade de folhetos informativos em seu idioma para ajudar a entender tudo o que se refere à sua pensão. Pode baixar uma cópia no site cbussuper.com.au

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