

news for
employers

40
YEARS

cbus
super

An Industry
SuperFund

broadcast

APRIL 2024

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CEO Message

A message from our CEO Kristian Fok



Leading the way

It's an exciting time to lead Cbus Super, with 2024 underway and marking the 40th anniversary of our founding.

Employers have been a critical part of the success of Cbus Super. Your diligence – and those before you – in making regular payments for your employees and encouraging them to check their super, has provided the best opportunities to achieve the retirement they would like.

Through this diligence, employers have also played a critical role in our ability to build our financial scale to provide Cbus Super with a strong position in the marketplace. I'm pleased to announce that the Fund has just reached \$90 billion of funds under management*.

Forty years ago, our founding members and employers joined together to create and launch the model that would establish Cbus Super and superannuation for building and construction workers. The innovations of our founding leaders stand today – tailored insurance, competitive fees and investing back into our sectors.

Strong, long-term returns and providing access to the power of compound interest have been transformative in providing members with comfort and security in retirement. And from the beginning, the insurance provided with super was designed to cover workers in hazardous occupations and it still does to this day.

We thank our founding members, unions, employers and leaders for their vision, hard work, and lasting legacy.



Kristian Fok, CEO

Strong returns

In welcome news for our members, Cbus Super announced a strong return of 9.49% for its Growth (MySuper) investment option over the 2023 calendar year†.

This is a great result given the volatility seen in financial markets during 2023 and adds to the strong long-term results we have delivered for members over the past 40 years. In a separate announcement, leading research, data and analytics provider Chant West, released their returns results and Cbus was confirmed in the top five performers over 10 years.

These results are testament to the hard work of our investment team and the very high-quality portfolio it manages. Our investment options remain well diversified and all delivered a positive one-year return for the calendar year 2023. Readers can get the latest on markets and returns at page 3.

Kristian Fok
CEO
Cbus Super

* As at 31 January 2024

† The Growth (MySuper) investment option return is based on the crediting rate, which is the return minus investment fees, taxes, and until 31 January 2020, the percentage-based administration fee. Excludes fees and costs that are deducted directly from members' accounts. Past performance is not a reliable indicator of future performance.

Insurance is issued under a group policy with our insurer: TAL Life Limited ABN 70 050 109 450 AFSL 237848



Investment market update

from Brett Chatfield, Chief Investment Officer



Inflation finally coming down

Investment markets have experienced a strong recovery in recent months in response to signs that inflation may finally be falling back towards central bank target levels. This has improved the economic outlook and markets are now factoring in a higher likelihood that central banks will start to lower interest rates in 2024.

United States leads the way

This market move was led by the United States (US) where share markets and fixed income markets performed strongly following weaker than expected inflation data in November. Many investors are now expecting the US Federal Reserve to lower interest rates in the first half of this year.

Australia making progress

Australian inflation is also slowing, but not as quickly as in the US. The Reserve Bank of Australia (RBA) raised interest rates by another 0.25% in November but kept interest rates on hold following its December meeting.

Encouragingly, the RBA's recent public statements suggest it is now assessing the economic impact of current interest rate levels and considering whether further tightening is required. This has raised expectations that Australian interest rates may also fall in 2024, but probably not until later in the year.

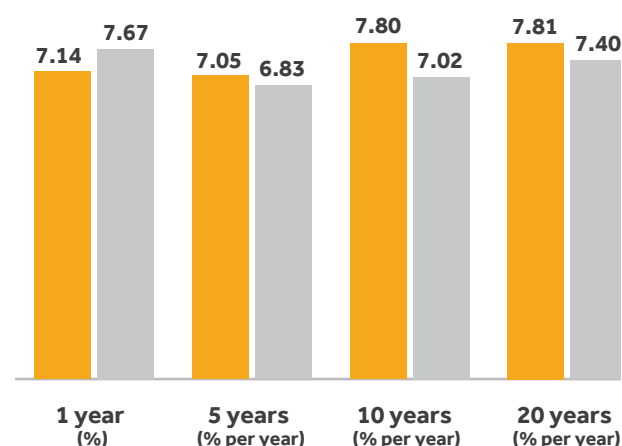
Looking forward

Whilst investor sentiment has been quite buoyant, the outlook for markets in Australia and overseas continues to hold some uncertainties. Inflation is not yet beaten, the expected size and timing of interest rate cuts may change in response to new economic data, and several geo-political conflicts are continuing to affect markets with potential implications for the global economy.

Against this backdrop, our portfolios remain well diversified and are designed to withstand periods of market volatility. It is important to remember that super is designed to be a long-term investment, and our Growth (MySuper) investment option reflects this, outperforming the median fund over 5 and 10 years.

Performance (%) to 31 January 2024

■ Growth (MySuper) option*
■ SuperRatings fund median†



* The median investment option return is taken from the SuperRatings FCRS SR50 Balanced (60-76) Index (January 2024). The default Growth (MySuper) investment option performance ranking was above the median return over 5 and 10 years for the period ending 31 January 2024. SuperRatings is a ratings agency that collects information from super funds to enable performance comparisons – visit superratings.com.au. Past performance is not a reliable indicator of future performance.

† Performance is as at 31 January 2024. The return for the Growth (MySuper) investment option is based on the crediting rate, which is returns minus investment fees, taxes and until 31 January 2020, the percentage-based administration fee. Excludes fees and costs that are deducted directly from members' accounts. Past performance is not a reliable indicator of future performance.

How far we've come

We've had a few names (BUSS, C+BUS, Cbus) along the way. We've merged with other funds like Media Super and EISS Super, helping us build a bigger, better fund for all. While we're big now, we've never forgotten where we came from and why we do it. Our focus is our members, so they can eventually enjoy the retirement they've worked hard for.

Back in 1984

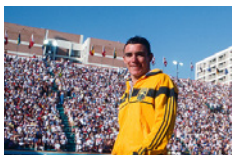
Australia's population:
15.4 million*

Average full time annual earnings:
\$18,990*

Bob Hawke was the
Australian Prime Minister



Jon Sieben won gold in the
200 metre butterfly at the
Los Angeles Olympics



INXS had a hit with
Original Sin



Jennifer and **Michael** were the
most popular baby names



**1 July
1984**

BUSS is established, providing eligible workers with super and death cover. By December 1984, more than 800 employers and more than 30,000 workers are part of the scheme.



1987

Total and permanent disability cover is made available to eligible members.



1996

We open to the public, allowing members from all walks of life to join.



2006

Cbus Property launches – a wholly owned entity that invests in industries that employ many of our members. Since then, over 100,000 jobs have been created†.



2007

Cbus Super Income Stream launches, allowing eligible members to take retirement income payments from their super, while keeping it invested for the long term.



2009

Income Protection cover is made available to eligible sole trader members. It's later expanded and made available to more members in 2017 and 2021.



2014

The Cbus Super app is launched, helping members manage their super on the go.



2017

Front counter services expand nationally, helping members when and where they need it.



Cbus Super now



More than
910,000
members



More than
215,000
employers



More than
\$85 billion funds
under management

As at 30 June 2023

* mccrindle.com.au/article/topic/demographics/australia-then-and-now-30-years-of-change/

† Cbus Property Pty Ltd is a wholly owned entity of Cbus Super and is responsible for the development and management of a portfolio of Cbus Super's property investments. Estimated jobs since 2006 to June 2023 based on inductions for completed and committed developments.

Payday super – what it means for you



What is payday super?

In the 2023-24 Federal Budget, the government proposed that employers will need to pay employees' superannuation guarantee (SG) at the same time as their salary and other wages. This change is proposed to come into effect on 1 July 2026.

Why is the government proposing payday super?

Payday super aims to create a fairer superannuation system for workers and employers and address the issue of unpaid super by giving employees better visibility of their retirement savings.

Unpaid super is not just a problem for workers, it penalises the majority of businesses which do the right thing and also represents significant lost government revenue and an increased reliance on the Age Pension. The Australian Taxation Office (ATO) estimates that employees were owed \$3.4 billion worth of super in 2019-20*. Payday super can help the ATO detect and recover unpaid super payments.

Australians can also benefit from higher retirement savings as smaller, more frequent super payments can reduce the impact of share market volatility on a worker's super balance.

"By switching to payday super, a 25-year-old median income earner currently receiving their super quarterly and wages fortnightly could be around \$6,000 or 1.5 per cent better off at retirement."*

How will it affect employers?

Having SG paid together with salary and other wages can benefit employers by helping to streamline their payroll processes and avoid penalties for late super payments.

Whilst the introduction of payday super will be a significant change, the proposed due date of 1 July 2026 allows employers time to prepare.

The good news for registered Cbus Super employers is that they've already committed to paying their employees monthly and should be less impacted by the change than those paying quarterly.

We're here to help

We'll keep you informed about payday super and how we can help you meet your super obligations.

If you have any questions, please contact our dedicated Employer Services team on **1300 361 784** 8am to 8pm (AEST/AEDT) or cbusenq@cbussuper.com.au.



Sustainability in Cbus Property's residential portfolio



Como terraces – Artist Impression

At Cbus Property*, sustainability has been integrated into our investment management approach from day one. From acquisition to management, we assess key sustainability risks, including climate, environment and community.

As part of our residential strategy, Cbus Property has signed up to the Green Building Council of Australia's Future Homes program because we are determined to lead in this sector.

Our extensive market research has confirmed that Australians are looking for sustainable homes. They want comfort, health, lifestyle, amenity and efficiency – all hallmarks of high-quality, sustainable homes.

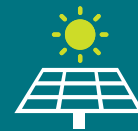
At the same time, buyers – especially those purchasing off the plan – equate sustainability with quality and longevity. Off-the-plan purchasers say trust in the developer is one of the top two driving factors of their decision. We know there is a clear link between trust and verified sustainability, which is why we have set Green Star rating targets for all new projects and will have those targets independently verified.

In August 2022, we launched the fifth release in our Newmarket Randwick multi-stage master-planned community

in Sydney's eastern suburbs. The Chiltern Collection comprises 11 three- and four-bedroom multi-storey terrace homes, due for completion in late 2024.

Our \$300 million 17 Spring St residential development in Melbourne's CBD reached practical completion in March 2023. The Bates Smart design sits comfortably in its surroundings, and despite the challenges of COVID-19, more than 2,000 jobs were created on site throughout construction.

In a prime position on the edge of the river in Brisbane's CBD, 443 Queen St reached completion in late 2023 and settlements commenced shortly afterwards, with Andrew McConnell's highly anticipated Supernormal restaurant to open in the street-level retail space in mid-2024. This development was designed to challenge typical apartment typology and maximise natural light, fresh air and Brisbane's subtropical climate.



Solar benefits at Como Terraces

Como Terraces in South Yarra proved the perfect design for the introduction of world-first technology developed by Melbourne-based Allume.

Allume's SolShare breaks down the technical and ownership barriers that have historically prevented apartment residents from accessing cheaper and cleaner energy from the sun. SolShare shares solar energy from a single rooftop solar system among multiple dwellings within the same building.

Installing SolShare at Como Terraces allowed us to increase the solar capacity from around 14kW to 90kW. This means we can provide around 2kW of solar power to each residence, as well as to common areas.

Como Terraces was designed to achieve an average 6.6 star NatHERS rating, and with its extra solar capacity, the energy consumption of each unit is 40 per cent less than standard energy consumption for apartments.

* Cbus Property Pty Ltd is a wholly-owned entity of Cbus Super and is responsible for the development and management of a portfolio of Cbus Super's property investments.

Cbus Super recognised as a *Responsible Super Fund Leader*

Cbus Super is proud to be one of 10 super funds named as a 2023 Responsible Super Fund Leader in the Responsible Investment Association Australasia's (RIAA) latest Responsible Investment Super Study.

We believe that responsible investment is important for our members' long-term returns and to help safeguard their quality of life in retirement.

Our commitment to responsible investment is reflected in our aim to integrate material* Environmental, Social, and Governance (ESG) risks and opportunities into our investment decision making processes, our research function, advocacy, stewardship practices and transparency.



Learn more about our approach to responsible investment at cbussuper.com.au/sustainability

riaa Responsible Investment
Association Australasia

**Responsible
Super Fund
Leader 2023**

* Material ESG risks and opportunities are those that are likely to affect business or investment performance.



Keeping you informed

International Women's Day

The theme for International Women's Day this year was, *Count Her In: Invest in Women. Accelerate Progress.*

To celebrate, we took part in a number of events to help spread awareness on the challenges women face and its effect on retirement. We also ran our popular Women & Super webinars which covered the positive changes that are occurring for women, areas for improvement, and tips and strategies to close the super gender gap.

Although research has shown the gap slowly closing over the last decade due to increased focus on the issue and improving the retirement outcomes for women,¹ there is still more work to be done. Research still shows that women tend to retire with less super than men. The latest statistics show a 25% difference, with the median balance for those aged 60 to 64 at \$211,996 for males and \$158,806 for females.²

1 Roy Morgan, Women are (slowly) closing the superannuation gap, 18 April 2023, <https://www.roymorgan.com/findings/9203-superannuation-gender-gap-closing>

2 The Association of Superannuation Funds of Australia, ASFA Research: An update on superannuation account balances, November 2023, https://www.superannuation.asn.au/wp-content/uploads/2024/01/2311_An_update_on_superannuation_account_balances_Paper_V2.pdf

What can employers do to help bridge the gap?

To continue to support your employees and encourage women in the workforce, here are some actions you can take:

- **Ensure you pay super contributions on time.** The minimum Super Guarantee (SG) is currently 11% and is set to increase to 11.5% on 1 July 2024.
- **Encourage your employees to stay on top of their super.** They could consider finding any lost super, consolidating their super if they have more than one account, making extra contributions, and seeking out education and advice.
- **Chat to a Senior Employer Engagement Manager.** We can help your employees set themselves up for retirement through our range of education sessions. Sessions are delivered online or at your workplace and, can be tailored to suit your business and the varying needs of your employees.
- **Provide equal opportunity in the workplace.** Ensure women are given the opportunity to build their capabilities and have access to employment pathways that allow them to earn and lead.



Superannuation Guarantee increase on 1 July 2024

Under Superannuation Guarantee legislation, from 1 July 2024, the super contribution rate payable to your employees will increase from 11% to 11.5%. The rate will then progressively increase to 12% by July 2025. However, this rate may be higher if there is an Industrial or Enterprise Bargaining Agreement (EBA) in place.

Contact us



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



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Log in to Employer Online and chat to us online



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PARRAMATTA NSW 2124



Visit us in person in Adelaide, Brisbane, Melbourne, Perth and Sydney. Details: **cbussuper.com.au/contact**



This information is general in nature. It doesn't account for your specific needs. Please look at your objectives and business requirements and seek financial advice before making financial decisions. Read the Employer Handbook, Cbus Industry Super Product Disclosure Statement (PDS) and Target Market Determination to decide what's right for you. Call **1300 361 784** or visit **cbussuper.com.au** for a copy.

United Super Pty Ltd ABN 46 006 261 623 AFSL 233792 as Trustee for the Construction and Building Unions Superannuation Fund ABN 75 493 363 262 (Cbus and/or Cbus Super)