

news for
employers



broadcast



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CEO Message

A message from our CEO Kristian Fok



Since I last wrote to you, Cbus has celebrated a key anniversary, with 1 July marking 40 years of delivering strong, long-term returns for a better retirement for our members.

It's a significant milestone for members and employers as we reflect on our growth to more than 920,000 members and managing \$94 billion of our members' money (as at 30 June 2024).

I am pleased to report that over the past four decades since inception, we have delivered an average return of 8.87% per annum*.

Your employees will receive their annual statements soon and will see that the 2023-24 contribution to that long term average is 8.35% for the Growth (My Super) option*.

Over the past four decades, we have achieved a great deal together, as Cbus has evolved into a specialist fund with a focus on member services, our offering to employers, and our record of investing in the building and construction sector.

Our governance model brings together industry specialist directors from both employer and employee organisations that has helped us adapt to changes in the industry over the past 40 years.

Cbus' success has been built on the strong relationships it has with employers and members of the Fund, and I want to acknowledge your achievements in helping us to deliver better retirement outcomes for members.



Kristian Fok, CEO

This includes the efforts of employers to make sure super contributions are made when due, in facilitating access for employees and Cbus members to education and super health check sessions with Cbus coordinators on site, and responding to developments that make it easier and quicker to make contributions on behalf of your employees.

The Fund's strength lies in the collaboration that is at the heart of how we are governed, how we invest, and how we work.

We acknowledge the workers who fought for superannuation in the building and construction industries, and employers for their role in the world-leading super system we have today.

It is a privilege to have served as Cbus' Chief Investment Officer for a decade, and now as its Chief Executive Officer at a special time in the fund's history.

Our anniversary serves as a strong reminder of the importance of Cbus in the lives of its members, of superannuation, and how working together we can ensure that our members' hard work pays off in retirement for the next 40 years and beyond.

Kristian Fok
CEO
Cbus Super

* As at 30 June 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.



Investment market update

from Brett Chatfield,
Chief Investment Officer



Strong headway after some challenging conditions

With Cbus Super celebrating its 40th anniversary this year, we're pleased to reflect on the strong long term investment outcomes we've generated for our members. Our Growth (MySuper) investment option has delivered an average annual return of 8.87%* since its inception in 1984 and 7.73%* p.a. delivered over the last 10 years. This option is ranked as one of the top performing super funds over 10, 15 and 20 years†.

Investment markets are rarely smooth sailing, and this year was no different. While we faced into some strong headwinds in the early part of the financial year, when conditions did eventually turn, we made strong headway, returning close to our 40-year average.

Share markets led the way

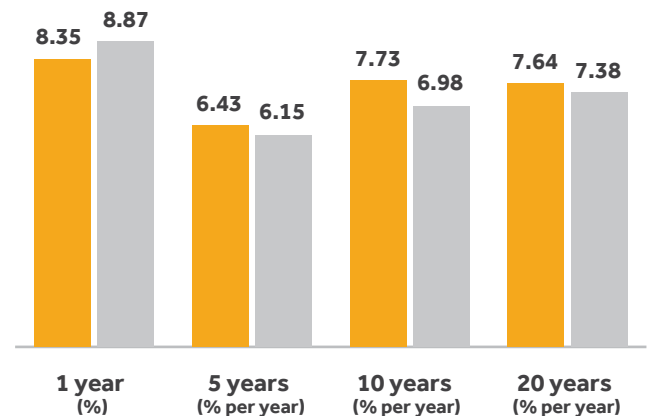
Led by share markets returns both in Australia and overseas, positive returns from our global credit and infrastructure assets also contributed meaningfully to our 1-year result.

Short term returns from the property asset class remain challenging and have been impacted by a few factors, including rising interest rates, which has resulted in property values falling across most of the sector. Despite these market pressures, a focus on high-quality assets with long term leases has held our property portfolio in good stead relative to our peers.

Short term ups and downs are considered a normal part of investing, and rarely unique to Cbus. More importantly, our portfolios are well diversified and are designed to withstand them.

Performance (%) to 30 June 2024

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



Focusing on the long term

For members who watch their super closely, it's common to see periods of short-term volatility in your returns. Over the last 12 months, these ups and downs were largely attributed to ongoing inflation concerns – the rising costs of living and global events like the conflict in the Middle East. With 40 years of super experience now behind us, we've seen plenty of events like these before, and together, we've gotten through them.

In addition to our healthy one-year return, our long-term performance also remains strong, which is a testament to the hard work of our investment team and the foundations we have built over the last 40 years.

* As at 30 June 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.
† Our Growth (MySuper) investment option obtained top quartile performance ranking over 10, 15 and 20 year time periods from the SuperRatings FCRS SR50 Balanced (60-76) Index, for the period ending 30 June 2024. Past performance is not a reliable indicator of future performance.



We hear from our employers



An interview with

Higgins Coatings, VIC

Can you tell us a bit about your business?

It started with Gerry Higgins and his one paint van, and we've since grown into Australia's largest private commercial painting business with 23 branches across Australia.

As we've grown, we've kept the same family values Gerry Higgins lived by and we remember each day that the most important people are our painters, who provide outstanding customer service – they are the reason we're here – by making our customers happy.

How has your business evolved in the last 40 years?

The business has evolved to a relationship-based business - we get a lot of repeat business because of these relationships. It's evolved in a way which has maintained its core principles by providing operational excellence and outstanding customer experiences.



In addition, as part of our broader strategy, we have established smaller regional branches, because you're able to make a real connection within each community. Our painters and branches know the people they're working with, and it reinforces the notion of family.

How has the building and construction industry evolved in last 40 years?

Safety has become a real differentiator for us and is a real focus for our Board and Management team. Back in the day someone would get up on a ladder and you didn't think twice as to whether it was safe or not, but now safety has become so crucial. The risk perception of what is safe has changed through training and education. We've been able to help our employees understand safety and they know they'll be supported by the business in doing things the safe way rather than the quickest way.

The industry has also evolved in the awareness of mental health. As you can imagine, it's difficult in a male-dominated industry to get people to open up, but we continuously try to find ways for our employees to find the space to talk, and we've got good results so far in having people open up. It's an ongoing challenge but one Higgins will do whatever it can to provide the most supporting environment.



Have you seen any improvement to your employees' engagement and financial wellbeing over the last 40 years?

I've got to give credit to Michael Schultz at Cbus here and the fact there's a dedicated team who educate staff, not just to sign members up, but to help them understand how to set up their super and make their contributions go further – so they can have a comfortable retirement.

If you look at the profile of the workforce when super started, some people thought it was a negative to lose their take-home pay but now there's a very different way of thinking about it. I've seen a real improvement in people's understanding of how super can benefit them at retirement – thanks Michael and Cbus.

Can you recall the significance of when industry super began and the value it provided to employees?

Oh yes, absolutely.

I can distinctly remember all the arguments, but in hindsight I don't think anyone did a good job of explaining to employees or the community what the forgoing of a wage increase (which became the first 3% super contribution) was going to do and how super would provide their income in retirement.

It is important for your business to be with the industry super fund for building, construction, and allied industries?

I think so, yes. It doesn't make a lot of sense someone being in our industry and being a member with a standard retail fund. Cbus understands the industry and what employees need from their super.

They are fantastic the way they communicate with members and provide simple messaging around how little adjustments to the way they think about super now can make a big difference to the amount of money they will have in retirement.

This interview was conducted with Higgins Coatings in May 2024.





We hear from our employers



An interview with

Sanwell Plumbing and Civil, WA

Can you tell us a bit about your business and how it's evolved in the last 40 years?

We're a privately owned company in the commercial construction industry and offer commercial and industrial hydraulic services throughout Western Australia. We started off small. Fred McMurray, our Director, was door knocking in the early days to try and secure work in the Tier One sector with the likes of Multiplex, Civil and Civic, Leighton Contractors, John Holland etc. Now we manage large scale projects from concept to completion. Our 40th Anniversary this year coincides with that of Cbus.

How has the building and construction industry has evolved in last 40 years?

A lot of the tasks back in the early days were manual and on today's standard, quite rudimentary. Today we use laser technology, CAD design, computerised tools, sophisticated excavation and installation methods. This was also the case in the office, we've moved from the old days of a wad of cash for wages which involved many site visits every week.

The industry has changed from highly manual to the use of power tools, better equipment and technology within buildings and plumbing. The quality of pipes and materials has also improved. And more recently, the requirements for green initiatives fitted into current commercial buildings. The level of quality compliance and safety awareness has also really improved and are embedded across every area of our business.

Enterprise bargaining agreements have been fantastic too, I think it makes it easy for employees to understand what they're entitled to. And certainly, super has been made a lot easier by the likes of Cbus.

Are there other changes you'd like to see in the industry?

I think the need for people to understand their superannuation is important. It's usually the biggest investment they have outside of their mortgage. Everyone needs to be aware of super and spend more time on understanding their entitlements.

Have you seen any improvement to your employees' engagement and financial wellbeing over the last 40 years?

I've noticed that in the five-year period before retirement, people suddenly pay a lot of attention to super. Cbus has been very good at trying to educate employees, but it comes down to the motivation of the individual.

Can you recall the significance of when industry super began and the value it provided to employees?

Our director remembers when super began and the need to change the way we managed our compliance and administration. He certainly saw it as a positive step at the time for employees to have security in retirement.





It is important for your business to be with the industry super fund for building, construction, and allied industries?

100 percent. If you're working within the industry, you know it better and you know the needs of our people which is critical. I know Cbus also invests in the industry, which is a big positive. On top of that, Cbus has been there at every level, from employee education to supporting employers to understand our responsibilities.

We're big advocates of Cbus. Every time we go to an event, we make a point of catching up with James Moore and Igor Zecic from the Cbus WA office because their value is huge.

This interview was conducted with Sanwell Plumbing and Civil Pty Ltd in May 2024.

saccardo CONSTRUCTIONS

An interview with

Saccardo Constructions, SA

Can you tell us a bit about your business?

We're a concrete placing and finishing company dealing mainly with the Tier 1 and 2 builders here in Adelaide. We started as a small family business doing house foundation and pavements and then moved into the project homes field doing whole subdivisions. From there, we started doing small commercial projects which has progressed over the years to now, being involved in major commercial and institutional projects including, the new Royal Adelaide Hospital, Adelaide Oval, Multi-story towers, Health and Defence projects.

How has the building and construction industry has evolved in last 40 years?

Machinery and technology have driven many changes enabling us to take on larger projects. The pace of building has also increased putting a lot of pressure on firms to complete projects in very short time frames. New products and materials are also changing how things are done.

Going forward I'd like to see an apprenticeship system in place for concrete placement where school leavers are encouraged to seek a career in our industry rather than just plumbing or electrical. We also need to do more as an industry to encourage more women into the field.

Can you recall the significance of when industry super began and the value it provided to employees?

Industry super has been a great initiative. It's provided a safety net for all employees without them having to forgo their take home pay. Cbus also invests in property developments which provides work for the construction industry.

This interview was conducted with Saccardo Constructions in May 2024.

Cbus Property continues to forge ahead with new and existing opportunities

435 Bourke Street – Artist Impression

We're unique in that we take a direct interest in the industry of our members. Cbus Property Pty Ltd* is a wholly owned entity of the Fund and is responsible for the investment, development and management of a portfolio of our property investments.

These investments in the commercial office, retail and residential sectors have delivered strong long-term returns[†], whilst also adding value to the economy and creating employment opportunities for our members.

Cbus Property's latest commercial office development is 435 Bourke Street, in Melbourne's central business district. The Commonwealth Bank of Australia (CBA) and Baker McKenzie have committed to leasing approximately 15,000 and 3,600 square metres of office space, respectively.

Our investment in projects like 435 Bourke Street creates jobs for our members. This development alone is expected to create approximately 3,500 jobs[‡] throughout the construction journey, with up to 300 workers on site each day during the peak construction period.

In the residential space, Cbus Property recently acquired a development site in Melbourne's St Kilda Road precinct, with construction due to begin in 2025. 437 St Kilda Road will be Cbus Property's fourth residential venture with Bates Smart in Melbourne, following Classic East Melbourne, 35 Spring St and 17 Spring St. It also marks Cbus Property's twenty-fourth development in the greater Melbourne area, adding to its development pipeline across Australia, with residential and commercial projects currently underway in Melbourne, Sydney, Brisbane and Perth.



435 Bourke Street – Artist Impression

Cbus Property's projects in Sydney are progressing well, with the second stage of the Newmarket Randwick masterplan anticipated to be completed in mid-2025 following its recent topping out. It's anticipated that the 111 and 121 Castlereagh Street mixed-use development in Sydney's CBD will be completed in stages, starting with the office component in mid-2025, followed by the residential component in late 2025.

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

† Past performance is not a reliable indicator of future performance.

‡ Estimated jobs since are based on onsite inductions, using actual inductions reported by Cbus Property and estimated inductions for committed developments based on direct development comparisons, and the average percentage of labour allocated to development projects.

We thank you for your support

Super has had a long and productive history to become today's broad-based system worth \$3.9 trillion*.

In the 1970s and 80s, the early super system was supporting schemes for white-collar workers and those working in the government sector. Then, the creation of Cbus in the mid-1980s transformed our retirement system.

On 1 July 1984, the Fund was created as the Building Unions Superannuation Scheme, also known as BUSS. Its origin goes back to a dispute in the building and construction industry where building union leaders and Australian Council of Trade Union (ACTU) officials agreed to settle the dispute, converting an agreed wage increase into super.

They also negotiated for BUSS to be overseen by a board comprising of equal numbers of employer and employee union representatives, establishing the consensus-based trustee structure that remains at the heart of industry super funds and our member-first focus.

It was an immediate success. Within the first six months, the desire to sign up to the new retirement saving fund saw 30,000 members join.

Employers started out contributing \$9 a week for their employees as well as \$1 for administration and \$1 for insurance. Our founding employers were supportive of contributing to a general scheme super fund for workers and recognised the benefits of a dignified retirement for all workers.

Many of the innovations from the foundation of Cbus stand today; simplicity of information, portability between workplaces, tailored death and TPD cover, low administration fees and investing into our members' sectors.

"It was a very visionary model. It allowed both employers and employees involvement in the superannuation funds. In the long term this model really worked."

Mavis Robertson, First Fund Secretary

In just one generation, working Australians have gone from retiring with the aged pension only, to having a supplementary pool of retirement income savings built by employer contributions, invested by a team of highly experienced investment professionals.

Forty years later, we support over **225,000 employers** and **920,000 members** with retirement savings totalling **\$94 billion**†.

And, while we've had a few names (BUSS, C+BUS, Cbus) along the way and merged with other funds like Media Super and EISS Super, we've never forgotten where we came from and why we do it.

Thank you for your continued support so your employees – our members – can enjoy the retirement they've worked so hard for.

"Before compulsory super in the building and construction industry, someone who'd been in the industry for 35 years would be stood down at age 60 without a cent to live on. Now, people will retire with a reasonable amount of money."

John Bavich, director of J.G.B. Contracting Services, contractors for Kalgoorlie gold and nickel mines, November 1995.



* ASFA, 2024, Super statistics, superannuation.asn.au/resources/super-stats/, accessed on 9 July 2024

† As at 30 June 2024



Keeping you informed

Cbus Super Director is awarded Order of Australia

Cbus Super congratulates Employer Director Ray Sputore on being appointed a Member of the Order of Australia (AM) in the 2024 King's Birthday Honours List.

Ray was recognised for his significant contributions to the building and construction industry across his almost 50 years in business.



Notify your employer - a new feature for members



We're improving how members find and provide their membership details to employers.

From mid-July, members with an online account will be able to download a pre-filled choice of fund form and email their details to their employer all within the Member Online portal or Cbus mobile app.

The 'Notify your employer' email feature, allows members who want their super paid into their Cbus Super account to send employers their membership details by providing an employer's email address in the member portal.

Employers will receive an automated email that contains all the information required to start making contributions into an employee's Cbus Super account.

If you have any questions about this new feature or making contributions, call our dedicated Employer Services team on **1300 361 784** (weekdays 8am-8pm AEST/AEDT) or email cbusenq@cbussuper.com.au.



A reminder to be vigilant of scams

As we approach the tax time, it's important to protect yourself and your organisation by remaining vigilant against the threat of scams. Scammers often take advantage of busier times to trick people into sharing personal information.

Here are some things to be aware of:

- **Increasing data breaches and ways to prevent them:** User information is being compromised through significant data breaches. Breaches often occur due to social engineering attacks, software vulnerabilities, poor security practice and weak passwords. To protect your information, it's important to use strong and unique passwords, update security software, be cautious when clicking on email links and participate in security awareness programs.
- **Phishing and social engineering attacks:** Phishing and social engineering attacks are one of the most common methods used by criminals to trick you into giving them personal information. Attackers send fake emails where they include links that ask you for your personal information. They can also send you fake messages or phone calls. Remember to remain vigilant and not to click on suspicious links or attachments.
- **Device security:** As remote work is becoming increasingly popular, securing the device we use is vital. It is very important that we are cautious of our work surroundings, how we use and store our data, and the type of software we use in our devices.
- **Stay connected to your super.** Remind your employees to regularly log in to their super account so they're able to identify any unusual activity. Members can also set up multi-factor authentication or a verbal password for an extra layer of protection.

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



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)