Senate Economics Legislation Committee
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Treasury Laws Amendment (Your Future, Your Super) Bill 2021

Cbus welcomes the opportunity to comment on the proposed Treasury Laws Amendment (Your Future, Your Super) Bill 2021.

About Cbus

Cbus has the proud history of being one of Australia's first industry super funds. Cbus was formed in 1984, when building and construction workers won the right to superannuation. Today, we have grown into a leading industry super fund, open to all while maintaining a focus on the industries that build Australia. We work hard to make sure that the super system is delivering for our members.

Cbus, with 758,204 members, mostly male and overwhelmingly hailing from the building and construction industries, is one of the best performing funds, with investment performance of 8.98% per annum since inception in 1984. Annual returns for the Growth option over financial year 2019/20 was 0.75%, compared to -0.92% for the median return in the SuperRatings SR50 Balanced Survey. Annual returns for the Growth option over **5 years was,** 7.13%, **7 years was** 8.49% and **10 years was** 8.54% (to 30 June 2020). Funds under management total $59.1 billion as at 17 December 2020.

Cbus is a bespoke fund for the building and construction industry. Our products and services are tailored to our members' needs; the most obvious (but not only) example is our insurance cover.

The majority of our members are tradespeople – they have unique working lives and a unique pathway to retirement. They start work and form families earlier than the general population. Very few work full time for decades. They are more likely to retire early – though not by choice, and as a result have lower average retirement savings. In addition to super, our members also rely on us to provide tailored life and TPD insurance – because they work in hazardous industries, cover with other funds that is not designed for building and construction workers is unlikely to meet their needs, while individual cover is either not available or not affordable.

In 2019, the Parliament amended legislation that banned funds from offering default cover to younger members, introducing an exception for funds that serve members in hazardous occupations. Under the exception, Cbus is able to offer default insurance for the majority of our members. This exception has already made a significant difference to the lives of Cbus members and their loved ones.

Our connection to our industry extends into the way that Cbus invests, securing outcomes for members and benefits to the economy. Our products and services, our investment approach and our insurances are specifically designed to suit our members, their employers and the environments in which they work. We invest our members' retirement savings in different types of assets for the long-term. We also invest directly in the building and construction industry through our wholly owned subsidiary, Cbus Property. This adds to the returns of our fund, creates jobs for our members and contributes to the economic activity of the industry in which our members and employers work.

Cbus is well positioned to play our part in investing to create jobs in the building and construction industry and beyond to assist Australia on the road to post pandemic economic recovery, while maximising long-term returns for members. Industry super funds' investment outperformance has added billions of dollars to members' retirement savings and deepened our national savings pool, helping protect the economy during downturns.

The Australian superannuation system is the envy of governments and business leaders worldwide, admired internationally for its key defining features - universality, compulsion and preservation – all of which have been critical to its growth, making it one of the largest pools of capital in the world. Superannuation has given ordinary working people access to the magic of compound interest – in a single word it has been transformative. In one generation, Australians who would have previously retired in poverty with sole reliance on the age pension will now have more prospect of a dignified retirement.

Summary of our submission

Cbus supports the policy intent of the Government's proposals to reduce the incidence of multiple accounts, address underperformance, and ensure members' retirement savings aren't unduly eroded by high fees. We do however remain concerned that the proposed Bill will create unintended consequences that are contrary to these stated policy objectives and will leave large cohorts of members worse off.

Cbus made a submission to Treasury on the 24th of December 2020 on the Exposure Draft material and given that very limited details have changed since then, our concerns remain unaddressed. We remain significantly concerned that members are at risk of being stapled to an underperforming fund or to a fund whose default insurance won't adequately cover them in their time of need.

We advocate that legislation to implement the superannuation system changes announced in the budget should follow four guiding principles:

1. Sequencing: Prioritise removing underperforming funds from all sectors of the system *first.*
2. Focus on what really matters: Maintain a laser focus on net returns after all fees.
3. Equal treatment of all Australians: All members are equal and deserve equal protection regardless of the sector, fund, product or option where their retirement savings are invested.
4. Protect the vulnerable: Guarantee no member will be left languishing in an underperforming legacy product and ensure workers in hazardous occupations do not lose critical, affordable insurance cover which they and their families rely on.

RECOMMENDATIONS

Sequencing - before the Your Future, Your Super measures are implemented

1. Government must provide a comprehensive formal response to the 2019 Productivity Commission review of superannuation. As recommended by the Productivity Commission, Government should implement measures to remove underperforming funds from all parts of the superannuation system before the rest of the package is implemented.

Substance of changes must be legislated

2. The substance of the package of reforms must be included in the Bill and subjected to full Parliamentary oversight. Important superannuation policy change must not be implemented via regulations.

Stapling

3. Workers in the top quintile of hazardous occupations, including building and construction workers, should not be stapled to their first fund, but rather continue to default into the appropriate industry-specific fund which offers insurance suited to their needs. This will ensure that they are covered by high quality, industry-specific insurance from their first day on site. The Parliament recognised this imperative as part of the Putting Members Interests First changes to insurance. Cbus recommends a consistent approach here.
4. Increase the threshold balance trigger for auto-consolidation of inactive accounts to the ATO.

Fund expenditure

5. Measures should be sector neutral- retail funds must be required to disclose the value of members' money paid to parent entities as profits and expenditure paid by related parties relating to a super fund that is part of a corporate group, e.g. advertising costs. Retail funds must be required to ensure that these payments are in the best financial interests of members.
6. The proposed reversed onus of proof cannot be justified and must not be implemented.
7. The proposals should be subject to a materiality threshold.
8. The proposed power to ban payments and investments that are in the best financial interests of members cannot be justified and should not proceed.

YourSuper comparison tool

9. The tool must cover every superannuation product, including single asset class and retirement products - as recommended by the Productivity Commission.
10. The tool must compare products by long term returns net of all fees, including administration fees.
11. The tool must inform members whether each product includes industry-specific insurance cover offered under the exception to the Putting Members' Interests First legislation.

Performance benchmarks

12. The benchmarks must apply to every superannuation product, from the same date, as recommended by the Productivity Commission.
13. Proposed benchmarks must reflect the specific characteristics of the asset class, including the market structure and risk profile, so to avoid unintended consequences on asset allocation and security selection decisions.
14. The consequences of failing to meet the proposed performance benchmark must be strengthened to protect existing members and avoid a new generation of members being left to languish in underperforming legacy products, as recommended by Productivity Commission.
15. The performance benchmarks must be implemented before the proposed stapling measure to ensure that members are not stapled to underperforming funds. Reforms to the successor fund transfer process to facilitate industry consolidation must also be made before stapling is introduced.

Commencement

16. A commencement date of 1 July 2021 is not feasible.
17. The commencement date should be 1 July 2022 for performance benchmarking, followed by later commencement dates for other measures once it is clear that underperforming funds have been removed from the system.
18. Stapling should not be introduced into Parliament until an automated system has been built and properly user tested.

Shannon's Story

Shannon Unger is 30 years old and lives in Albury with his wife Bianca and six year old daughter. He previously worked in a brickworks factory in a job he loved. Three years ago, he fell backwards as a result of an anxiety attack and injured his spine. He is now in a wheelchair. Without the insurance payout he received from his TPD claim, Shannon says he and his family would have lost everything.

"Once I had my accident, we thought we were going to lose everything. It is extremely important to have insurance with your super fund."

"It saved our lives, we got to the stage where we thought we had to sell everything. I've just got no words for how important it is."

1 Workers joining the building and construction industry should be defaulted into a fund that has appropriate insurance

Group insurance inside of super is a vital safety net

Insurance within superannuation is a vitally important safety net for millions of Australians who may not otherwise be able to take out insurance cover, especially for those working in physically demanding and hazardous occupations such as the building and construction industry.

Insurance is not an add-on to superannuation but a key component in ensuring all members have access to a decent retirement, even those that are involuntary forced to retire early due to ill health. Considering insurance through the broader definition of retirement (the permanent act of ceasing work), the provision of insurance is consistent with and promotes the purpose of superannuation. The Retirement Income Review[1] found that ill-health was the most likely reason for involuntary early retirement and that involuntary retirement can have a detrimental impact on people's sense of financial security in retirement compared to working life.

Sam Healy

"I work in the elevator industry in construction on major sites where there are a lot of dangers, lots of hazards, for example, electricity or falls.

The idea that you might be without insurance on site is scary. Most of us have families and we need to look after what's at home."

Electrician

Cbus supports the policy objective of ensuring that an appropriate level of insurance is provided to members having regard to their needs whilst minimising erosion of superannuation accounts from insurance premiums.

Insurance offered through group superannuation policies provides value for money compared with insurance distributed directly and through advice networks. APRA's latest Life Insurance Claims and Disputes Statistics report (released 20 October 2020) found that the claims paid ratio (being the dollar amount of claims paid out in the reporting period as a percentage of the annual premiums receivable in the same period) for the 12 months to June 2020 was Death: 42% individual advised, 40% individual non-advised, 85% group super, and TPD: 49% individual advised, 35% individual non-advised, 95% group super – noting the vast majority of these policies (including group policies offered by superannuation funds) would contain exclusions rendering many building and construction workers effectively un-insured.

[1] Retirement Income Review, Final Report (2020). Available from: https://treasury.gov.au/sites/default/files/2021-02/p2020-100554-udcomplete-report.pdf

"You need insurance on all sorts of things. I don't mind paying extra money or money out of my super to do that. Because it's beneficial to me anyway." Cbus member

Cbus' Tailor-made Default Insurance

Cbus' insurance policies support 556,000 members – this is one of the biggest group insurance contracts in the world. Our insurance cover is a key part of what Cbus delivers to members as it can provide benefits to our members and their families in time of need.

"It might be something you don't think about or don't need but they're going to be glad it's there if something does happen." Cbus member

Cbus has a particularly strong record of benefit provision to members, with $298 million in claims paid for the 2019/2020 financial year (and $248 million in the prior year) for close to 3,000 claims (and 2,550 in the prior year). Claim acceptance rates have been excellent over the last 3 years (to 30 June 2020), with around 96% of all insurance claims accepted, and 94% of total and permanent disablement claims accepted.

In October 2019, ASIC singled out the positive aspects of the Cbus TPD policy in an otherwise scathing report into aspects of the TPD insurance market (REP 633, Holes in the Safety Net). ASIC identified generosity in our eligibility criteria and high levels of member engagement throughout the claims process as key features of Cbus insurance product.

"I pay more to insure my car, and it's a piece of tin. This is my life we're talking about." Cbus member

Cbus Death cover

"Workers in the construction industry face a significantly higher risk of suicide than the general population." (*National Coronial Information System, December 2014*).

Many funds' Death cover has exclusions for suicide – being either an extended waiting period or simply no cover. Building and construction workers are at a higher risk of suicide. Cbus provides death cover for all insured members for suicide with no waiting period. Suicide is one of the most common causes of death for Cbus insurance claims. The true rate of suicide claims is likely to be significantly higher than those attributed to suicide. For a proportion of claims Cbus pays, the cause of death is unknown at the date that the claim is paid. Many of these claims are likely to involve death by suicide. Cbus has paid out more than $60 million in death and TPD claims to 373 members or their beneficiaries who have died by suicide or for self-inflicted acts over the past five years to 30 June 2020.

Case study: A male member was 22 years old at date of death from suicide and employed in a manual occupation. The member was single but was survived by a toddler who was living with their Legal Guardian. The insurance cover was 4 Units of Death & TPD cover with a sum insured of $208,000. The benefit was paid to the Legal Guardian as trustee for the child.

Cbus TPD cover

Cbus uses a fair definition for TPD 'Unlikely to ever work again'. This is broader than two other definitions that are commonly used in other policies: 'Unable or Incapable of ever working again in an occupation suited by education, training and experience or 'any occupation'.

Where a member has been unemployed for more than 24 months (better than a lesser period, which in other funds is often only 6 months) members are tested against 'Everyday Work Activities' (better than 'Activities of Daily Living' which was the area heavily criticised in ASIC report 633).

Under the Everyday Work Activities test of the TPD definition, Cbus has a 'Psychiatric Impairment' assessment for cases where the member has a specified medical condition or mental disorder. Sadly, mental health issues as a secondary cause for many dis ability claims is simply too high. In the Building & Construction Industry mental health issues are not often the reason members cease working, but it often can be a major contributor as to why members do not recover and get back to work.

From 1 February 2020, Cbus has increased the 'unlikely to return to work' assessment test timeframe. It applies even if members have been out of work for up to 24 months, an improvement on what was previously a 12-month rule.

Many funds do not provide TPD cover for workers in higher risk heavy blue-collar occupations. In building and construction, this includes the following jobs:

- Boilermakers
- Bricklayers
- Carpenters
- Concreters
- Dogmen
- Fitter and Turners
- Labourers
- Painters
- Plasterers
- Plumbers
- Electricians
- Riggers
- Scaffolders and Welders.

For example, some funds do not provide cover for people working above 15 metres and with heavy machinery. Working at heights is a leading cause of death and serious injury in Australia, between 2015 and 2019, 199 workers were killed following a fall from heights, of which the construction industry accounted for 40% of falls-related fatalities[2].

Cbus is one of the only funds that provides TPD cover for all of the above occupations and workplace environments. Cbus has paid out $506 million in TPD claims to 6,653 members who have been permanently disabled and in the manual occupation category over the past five years to 30 June 2020.

Case study: A male Cbus member, 49-years-old and a sheet-metal worker fell from height in the course of work whilst installing air conditioning ducting. The member received a TPD benefit after suffering a traumatic brain injury in the accident.

Many funds exclude or modify cover for Total and Permanent Disablement. For example:

- BT Super will assess a Labourer against Activities of Daily Living – a practice ASIC concluded amounted to 'junk insurance'. This would pay out only in the most catastrophic circumstances.
- AMP, Colonial First State and MLC explicitly do not insure workers for TPD if they work in high risk occupations.

[2] Safe Work Australia (2019), Working at heights. Available from https://www.safeworkaustralia.gov.au/heights

- Individual retail insurance policies require building and construction workers to incur significant premium loading, making these policies far less affordable – and still likely less comprehensive - than Cbus' offering.

Income Protection cover

Typically, a member can only claim against one income protection policy and therefore there is an increased risk of paying for cover that a member is ineligible to claim in the case of multiple insurance policies. The Productivity Commission Inquiry Report on Superannuation: Assessing Efficiency and Competitiveness (**Productivity Commission**) identified duplicate income protection as being the chief and most costly culprit for such 'zombie policies'[3].

Many Cbus members already have Income Protection cover as part of their employment arrangements and as a result Cbus does not offer Income Protection cover to members by default. In contrast, many other funds do. There is an increased risk that if workers are stapled to their first fund, then join the building and construction industries, they will pay for income protection insurance through their stapled fund that they do not need and that is worthless to them.

Stapling risks leaving workers in hazardous occupations without critical insurance cover

Industry specific insurance is critical for members working in a dangerous occupation. Cbus is a longstanding supporter of the existing industrial default system which sees building and construction workers defaulted into the fund that offers default cover designed for their industry.

Stapling a worker who is commencing a role in a dangerous occupation to a fund with inappropriate default cover for their needs would be a perverse, and no doubt unintended, consequence of this suite of reforms. This could impact millions of working Australians.

SIZE OF THE 'RISKIEST QUINTILE OF AUSTRALIAN OCCUPATIONS'[4] WORKFORCE

In January 2021, there were 12,939,900 people employed in Australia.[5] As at 2016/17 (the most recent data available), it is estimated that over 2.7 million people were working in the riskiest quintile of Australian occupations, according to SafeWork data[6]. Please see Appendix for the full list of occupations. The wide range of occupations that will be affected by the proposed stapling measure is shown below.

[3] Productivity Commission, Superannuation: Assessing Efficiency and Competitiveness, Inquiry Report (2018). Available from: https://www.pc.gov.au/inquiries/completed/superannuation/assessment/report/superannuation-assessment.pdf

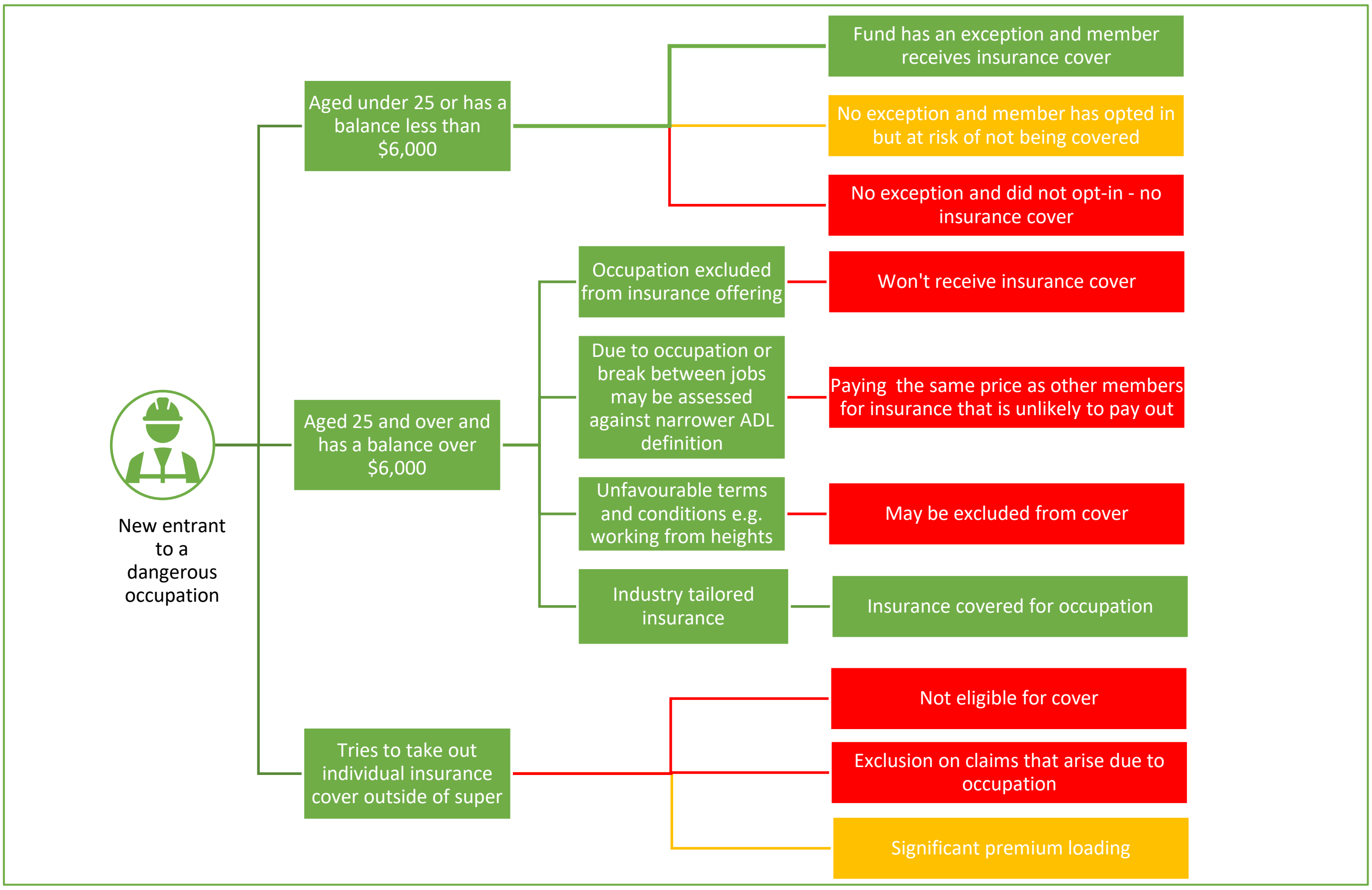
[4] Reference to this metric as a means for assessing whether or not a worker had a special need for death and TPD insurance, including under the age of 25, originated in *Treasury Laws Amendment (Putting Members' Interests First) Bill 2019 – s 68AAF "Dangerous occupation exception"*, https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r6331

[5] Labour Force, Australia, Headline estimates of employment, unemployment, underemployment, participation and hours worked from the monthly Labour Force Survey, https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release

[6] Figures are based on analysis of Safe Work Australia's Work-related Traumatic Injury Fatalities data from 2016 and 2017 (the most recent available for each occupation), as set out in Tables 1 & 2, Actuaries Institute Information Note - Dangerous Occupation, November 2019, https://www.actuaries.asn.au/Library/Standards/MultiPractice/2019/INFinaltoAI261119.pdf

Riskiest quintile of Australian occupations[7] based on SafeWork data on both rates of serious injury and death[8]	Number of workers by occupation as at 2016/17
Construction and Mining Labourers	180,556
Other Labourers	234,568
Construction Trades Workers	388,889
Electrotechnology and Telecommunications Trades Workers	250,000
Automotive and Engineering Trades Workers	333,770
Machine and Stationary Plant Operators	162,791
Mobile Plant Operators	130,435
Road and Rail Drivers	354,839
Skilled Animal and Horticultural Workers	133,333
Farm, Forestry and Garden Workers	120,805
Farmers and Farm Managers	155,556
Protective Service Workers	142,749
Health and Welfare Support Workers	131,883
Total workers in riskiest quintile of Australian occupations as at 2016/17: 2,720,174	

The potential impact on workers commencing employment in these dangerous occupations is illustrated below:



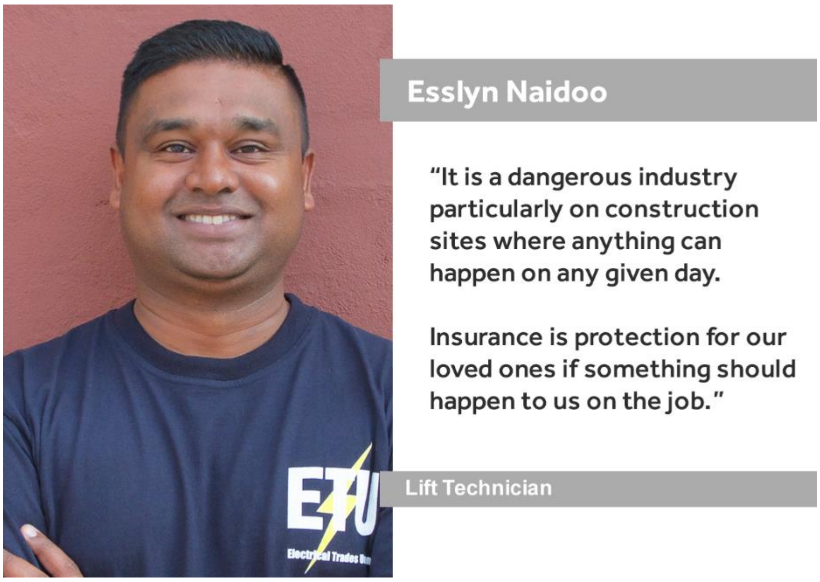
[7] ANZSCO - Australian and New Zealand Standard Classification of Occupations First Edition, Revision 1, https://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/DF6EC104F9730D3ECA2575DF001CB71D/$File/12200_first%20edition%20revision%201.pdf

[8] Excludes deaths attributable to diseases, natural causes, suicides and deaths of people undertaking criminal activity.

Building and construction is the third highest sector for fatalities in the workplace, sharing a top quintile risk rating with emergency services, including policing and paramedicine and ambulance work. It is also one of Australia's largest employing industries and continues to grow, and as at November 2020 employed a total of 1,176,100 persons[9]. It is also expected that there will be on average 34,800 new entrants into the construction workforce annually (resulting from 19,000 new entrants to replace retiring workers, and 15,800 new entrants created due to growth in the building and construction industry)[10].

"I know about it (Cbus insurance). I read details. I had been comparing other super funds and one of the comparison points was what kind of insurance they had, how much it costs." Cbus member

Cbus uses its scale to insure workers who would otherwise not be able to get cover, or who would only receive modified cover with other providers. As a fund tailored for members in the building and construction industry, the large default pool of coverage reduces the risk of self-selection and enables Cbus to provide generous coverage to our members notwithstanding the higher risk our insured pool of members.



The insurance issues faced by members in dangerous occupations has also been raised by Regulators:

- ASIC Report 633[11] – ASIC noted that people in specified occupations that the insurer considers are high risk, may mean members are typically funnelled into the narrower ADL definition.
- APRA letter to life insurers[12] noted that a range of changes have also been made by direct insurers to eligibility, automatic acceptance limits (AALs), exclusions and benefit definitions. Changes included making greater use of exclusions for pre-existing conditions, hazardous occupations, suicides and pandemics.

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[9] Source ABS Labour Force data, November 2020.

[10] National Centre for Vocational Education Research (NCVER), Future job openings for new entrants by industry and occupation (2017). Available from https://www.ncver.edu.au/__data/assets/pdf_file/0026/2141783/Future-job-openings.pdf

[11] ASIC (2019), Holes in the safety net: A review of TPD insurance claims. Available from https://download.asic.gov.au/media/5311111/rep633-executive-summary-published-17-october-2019.pdf

[12] APRA (2015), Letter to Life Insurance Entities on Group Insurance. Available from: https://www.apra.gov.au/sites/default/files/letter-to-li-entities-on-group-insurance-18-may-2015.pdf

- AFCA submission to Treasury consultation[13] noted that for default cover in some funds, stricter definitions apply for members in certain occupations. The submission further noted that this approach gives risk to unfair outcomes, including;
  - Members who most need cover – those doing arduous, demanding or hazardous work – receive inferior cover;
  - Members who receive inferior cover do not pay lower premiums; and
  - Funds do not keep track of their members' occupations, meaning that members subject to stricter definitions are not informed of these restrictions in their annual statements.

Stapling proposal is inconsistent with the PMIF Dangerous Occupation Exception

As part of the Putting Members Interests First (PMIF) legislation, the Parliament recognised that certain occupations carry a higher degree of risk and though an amendment retained the ability for superannuation funds to provide default insurance to protect members working in dangerous jobs.

Based on actuarial certification of the risk rating of occupations within the building and construction industry (top quintile of risk) and supervised by APRA, Cbus applied the exception to eligible Industry Super members who work in a manual occupation (including apprentices). As a result, Cbus is one of a handful of funds who continue to offer all members who work in a dangerous occupation access to automatic insurance cover. Young workers moving into building and construction are covered from the first day, when a member defaults into Cbus' group insurance upon joining the fund (dependent on receiving contribution from the employer), there is no underwriting required, no medicals and no exceptions to cover.

This exception has already made a significant difference to the lives of Cbus members and their loved ones, despite not having been in operation for a full 12 months to the date of this submission. **The Dangerous Occupation Exception has allowed 115,000 building and construction workers to obtain or retain vital insurance. A total of $1,387,600 has already been paid to members or their beneficiaries between 1 April 2020 to 1 January 2021 that would not have received any insurance at all, had the exception not been passed into legislation.**

"I'm glad to have it (Cbus insurance)" Cbus member

- 93,000 existing Cbus members were able to retain their insurance from 1 April 2020 due to the existence of the Dangerous Occupation Exception
  - There has been 6 accepted insurance claims totalling $607,600
    - 2 terminal illness claims, 3 death claims and 1 TPD claim
    - 3 claims were in NSW, the others were in VIC, SA and ACT
    - Ages were 18, 19, 33, 34, 61 and 65

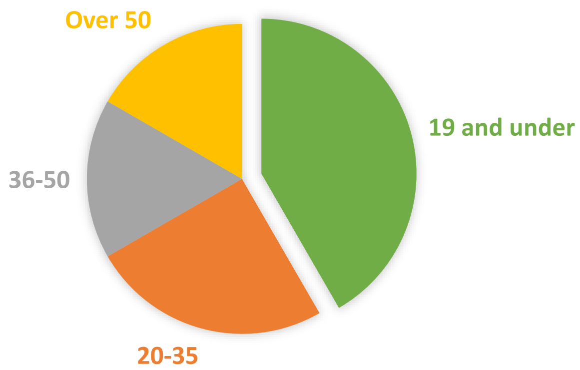
Existing Cbus members

- 22,000 new members who joined Cbus from 1 April 2020 to 1 January 2021 were provided cover automatically under the Dangerous Occupation Exception.
- There has been 6 accepted insurance claims totalling $780,000
  - 5 death claims and 1 TPD claim
  - 3 claims were in NSW and 3 in VIC
  - Ages were 16, 18, 19, 26, 47 and 49

New Cbus members

[13] AFCA (2019), AFCA Submission: Universal terms for insurance within MySuper. Available from: https://treasury.gov.au/sites/default/files/2019-12/c2019-t370846_-_australian_financial_complaints_authority.pdf

AGES OF MEMBER CLAIMS UNDER PMIF EXCEPTION



"Insurance is always a good thing, it keeps things safe." Cbus member

Unfortunately, the proposed stapling measure puts at risk the same members that would receive insurance cover through the PMIF exception, as they are more likely to be stapled a fund that is not eligible to receive the exception when starting work in a hazardous industry. Sadly, without this insurance protection available, many families would be forced to fundraise to pay for costs and loss of income incurred as a result of disability.

Jake Anglberger

"It's important to have insurance in super because you feel financially stable. If something bad happens, you know you've got something to fall back on for the future.

We've all got families that rely on us and it's crazy to work in this industry if you're not protected."

Electrician

Choice and insurance inside of super

We support a member's right to choose their fund, though it is well established that members in general are not engaged with superannuation, and we know based on engagement with our members that building and construction workers are busy people – they're experts on the tools, not on super.

Low level of engagement was found the Productivity Commission which stated that "in general, rates of switching between funds and products are modest — historically, fewer than 10 per cent of members switch funds each year" and that "levels of engagement are especially low among the young and members with low balances". This corresponds with Cbus research that shows young people especially had little awareness of insurance connected to superannuation.

The issue of engagement is particularly difficult when it comes to insurance, given the complexity of insurance contracts. This issue has been noted by the Productivity Commission, ASIC and during the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (**Royal Commission**)

- Productivity Commission Inquiry Report - "Given generally low levels of financial literacy among members, understanding and comparing insurance offerings will always be difficult given the different mixes of insurance types and levels of cover, but this is exacerbated by differences in eligibility and exclusion definitions for insurance types (particularly in the case of TPD insurance)[14]".
- ASIC - "ASIC has identified that consumers are not always able to identify and appreciate how differences in terminology between policies will affect coverage under those policies."[15]
- Royal Commission - "Insurance contracts can often be difficult for the average consumer to navigate and understand. And subtle differences in definitions, terms and exclusions from one policy to another can make the task of comparing policies particularly challenging.[16]"

The importance of having the correct default insurance settings is highlighted by recent ASIC findings that on average 86% of all insured members are default insured members[17]. This aligns with Cbus research that 85% of our membership has automatic cover.

Given these challenges it should not be assumed that a young worker joining a dangerous occupation understands enough about their respective insurance options or has the time to make an active and informed decision.

> *"I'm glad I've got it (Cbus insurance). It's a necessary evil. I'm assuming it will work in my favour if ever my beneficiaries need to claim. I should study my policies and make a better assessment rather than just assuming it's all going to work in my favour." Cbus member*

Workers in hazardous occupations should not be stapled to a fund that may not cover them

The elimination of multiple accounts is the stated focus of stapling reform – a worthy goal and one that significant progress has been made in recent years. This goal however does not need to be achieved at the cost of charging workers in hazardous occupations, including builders, police, paramedics and ambulance workers, premiums for insurance they can't claim on.

Many Cbus members do not join the building and construction industry as their first job. For these workers, staying in their first fund may mean they and their dependents cannot claim against insurance if tragedy strikes.

Defaulting workers into a high performing fund with industry-appropriate default insurance from day one on the job is the outcome which is in the best interests of members who work in hazardous

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[14] Superannuation: Assessing Efficiency and Competitiveness, Productivity Commission Inquiry Report, No. 19, 21 December 2018, page 408. Available here: https://www.pc.gov.au/inquiries/completed/superannuation/assessment/report

[15] ASIC, Submission to Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, Round 6: Insurance. Available from: https://financialservices.royalcommission.gov.au/Submissions/Documents/Round-6-written-submissions/POL.9006.0001.0192.pdf

[16] Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, Final Report – Volume 1 (2019), pg. 322. Available from https://www.royalcommission.gov.au/sites/default/files/2019-02/fsrc-volume-1-final-report.pdf

[17] ASIC, Report 675: Default insurance in superannuation: Member value for Money, December 2020. Available from: https://download.asic.gov.au/media/5891458/rep675-published-14-december-2020.pdf

occupations. To address the issues raised in this submission, Cbus recommends that an exception is added to the Bill to protect workers in hazardous industries. This exception would build on the success of the dangerous occupation exception that was including in the Putting Members Interests First (PMIF) Act and ensure that members are adequately protected.

Cbus also encourages the government to consider lifting the threshold balance trigger embedded in the Protecting Your Super package to sweep more inactive members' funds into an appropriate active account. The would be in line with Productivity Commission recommendation 5, which recommended that the Government increase the balance threshold for auto-consolidation over time as a measure to clean up the existing stock of unintended multiple accounts.

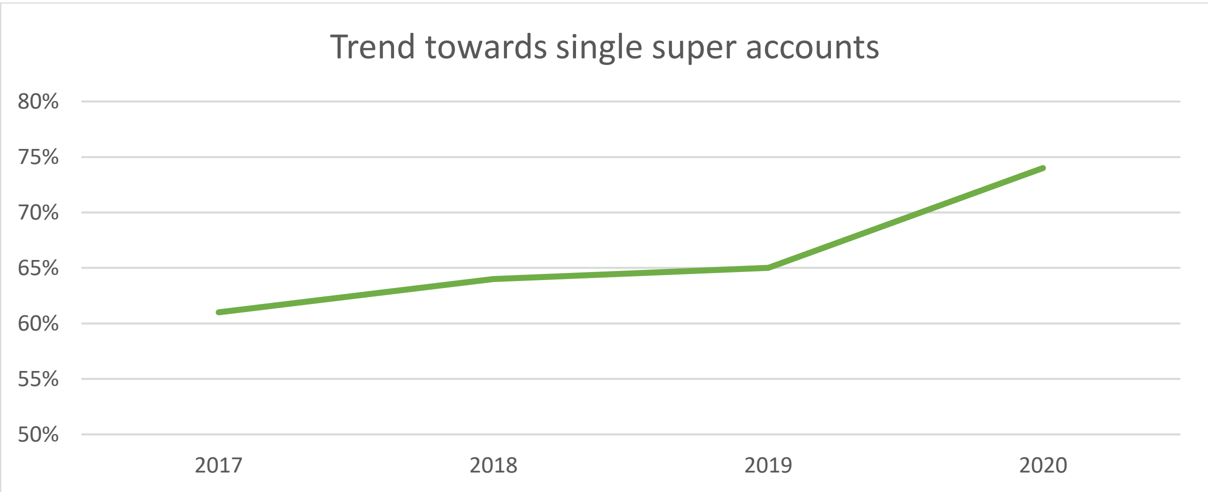
Productivity Commission, pg. 545

"it is important that mechanisms are put in place to prevent adverse outcomes under revised default arrangements, and particularly that new members do not pay for unsuitable insurance (for example, because of exclusions on the basis of occupation) or that cover is inequitably priced"

This would also build on the significant work that both industry and Government has done to eliminate unnecessary multiple accounts. The trend towards single accounts is demonstrated through ATO data which shows that as at 30 June 2020, more than 12 million people (around 74% of the superannuation population) only had one super account[18]. This is an increase from 61% in 2017. The data also shows that as at 30 June 2020 94% of individuals only have 1 or 2 super accounts, an increase from 85% in 2017.

This work includes:

- MyGov 'lost super' search.
- Protecting Your Super Package - As of December, 2020, the ATO has proactively consolidated $3.7 billion held in unintended multiple accounts on behalf of almost two million people.
- Industry consolidation campaigns. Internal research indicates that over time Cbus members tend to consolidate, and in general the prevalence of other funds shrinks to around 20% of members.



Source: ATO

[18] ATO, Super data: multiple accounts, lost and unclaimed super. Available from https://www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Super-statistics/Super-accounts-data/Multiple-super-accounts-data/#Trend

“You don’t plan on getting sick and having a wage cut by $40k or $50k a year, so it was definitely a great help and it actually kept me alive having that package (insurance) behind me” Cbus member

“The only good thing in my life left was this house and I’m determined to keep it. The only way I could keep it was having insurance package through Cbus” Cbus member

Recommendation: Workers in the top quintile of hazardous occupations, including building and construction workers, should not be stapled to their first fund, but rather continue to default into the appropriate industry-specific fund which offers insurance suited to their needs. This will ensure that they are covered by high quality, industry-specific insurance from their first day on site. The Parliament recognised this imperative as part of the Putting Members Interests First changes to insurance. Cbus recommends a consistent approach here.

Recommendation: Increase the threshold balance trigger for auto-consolidation of inactive accounts to the ATO.

2 All members deserve equal treatment - therefore all measures must be sector neutral

Whilst we acknowledge the need for strong protections for default members, we are concerned that the significant number of members in retail and choice funds are not receiving adequate protection against poor outcomes by the proposed measures. Given the compulsory nature of the system, and that many members who hold Choice products do so as a result of financial advice, the Government has a responsibility to provide equal protection to all members. The Terms of Reference for the Royal Commission reflected this, stating that 'All Australians have the right to be treated honestly and fairly in their dealings with banking, superannuation and financial services providers'[19].

Retail funds	Choice product
Productivity Commission findings:	
12.3m retail member accounts and **$589bn** in assets under management	The choice segment accounts for **41%** of total assets and **39%** of member accounts
Retail funds collectively accounted for **77%** of member accounts in underperforming funds	Approximately **36%** of choice investment options underperformed
The median administration fee in the retail segment was **0.8%,** compared with **0.4%** in the not-for-profit segment.	Choice products offered by retail funds account for almost all the 'tail' of higher-fee products

…yet a significant number of the proposed changes will not capture retail funds and members in choice funds

- Profits made by retail funds excluded from Best Financial Interests duty
- Expenditure by parent company excluded from expenditure requirements

- Underperformance test initially won't apply to Choice products
- Underperformance test will only cover some Choice products when it is proposed to be extended in 2022
- Comparison tool won't include Choice products
- Administration fees that are higher in retail funds are excluded from underperformance benchmark

[19] Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, Signed Letters Patent. Available from: https://financialservices.royalcommission.gov.au/Documents/Signed-Letters-Patent-Financial-Services-Royal-Commission.pdf

Best financial interests duty – expenditure carveouts for retail funds

The Royal Commission examined expenditure by Cbus and many other funds in depth. Cbus received a clean bill of health. Commissioner Hayne found usually when a trustee did not act in the best interest of beneficiaries was because a conflict arose between the beneficiaries' interests and the interests of the trustee of a retail fund, or another person or entity in a for profit corporate group, observing that 'the interests of the fund's parent company and the interests of members are not only different but are often opposed'[20].

Fund expenditure is subject to prudential requirements which commenced on 1 January 2020 for an RSE licensee to regularly assess the outcomes provided to members and identify opportunities for improving these outcomes, supported by sound strategic and business planning. These requirements build on the sole purpose test and the duty to act in the best interests of members.

The proposal to clarify that fund expenditure must be in the best financial interests of members, which will be imposed in addition to the existing regulatory requirements, will be applied inconsistently and in a way that undermines competition.

The Bill does not currently define expenditure, nor does it refer to payments made by retail funds to parent entities or expenditure that is incurred by a parent company or another related party on behalf of a retail fund.

At a recent hearing of the House of Representatives Standing Committee on Economics, Melinda Howes, General Manager of Superannuation at BT (part of Westpac Group) explained the convoluted process through which retail funds can avoid accountability for advertising spend, while spending as much or more than their industry peers[21]:

Dr Mulino: We've talked a bit today around the impact of fees on returns and the fact that the more a fund spends on advertising, for example, the more that that will impact negatively on the returns that members receive in their accounts. Again, if I am using the wrong terminology please correct me and let me know what the right terminology is. But to the extent that any payments or dividends that go to a parent entity increase, that, again, would have a similar effect, wouldn't it?

Ms Howes: Perhaps just to give some context on that, advertising is one that we don't charge directly to the members of the fund. That is actually paid out of, if you want to call it, that profit or revenue for the shareholders. Ultimately all those fees and expenses do work their way into what we require for the fee structure to run the fund. But that is an example where actually members are not being directly charged for those advertising costs; they're being paid for by the shareholder in the first instance. But yes, obviously any cost of the fund will impact eventually on the end results for members. And that is why we've invested so much shareholder capital in modernising our systems and bringing all of our members into this new digital environment where we can run this super fund very efficiently and provide a very strong outcome for members for a very reasonable total fee.

We note that the Royal Commission did not recommend changes to the best interests covenant, instead it suggested that better enforcement via strategic conduct litigation was needed to address immediate

[20] Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, Final Report – Volume 1 (2019), pg. 231. Available from https://www.royalcommission.gov.au/sites/default/files/2019-02/fsrc-volume-1-final-report.pdf

[21] According to BT36QW to House of Representatives Standing Committee economics BT's total advertising and marketing costs for the past five years were FY15 $6,343,004, FY $6,343,004, FY17 $4,547,308, FY18 $4,320,000 and FY19 $3,340,000

member harm and deter future conduct when retail trustees have failed to manage conflicts effectively[22].

> *'I consider that the existing rules, especially the best interests covenant and the sole purpose test, set the necessary standards. Those standards should be applied according to their terms and without more specific elaboration.'*[23]

The Government's objective that more members exercise choice of fund increases the need for Cbus to protect and build its brand. Achieving and maintaining scale is in members' best financial interests. Advertising will be critical as a tool to inform and market and attract members from incumbent poorer products to better, more fit for purpose products.

Recommendation: Measures should be sector neutral retail funds must be required to disclose the value of members' money paid to parent entities as profits and expenditure paid by related parties relating to super fund (e.g. advertising costs). Retail funds must be required to ensure that these payments are in the best financial interests of members.

The Bill also proposes to reverse the evidential burden of proof so that the onus would be on trustees to prove they performed their duties or exercised their powers in the best financial interests of beneficiaries. There is no precedent for this approach in the regulation of corporate or public sector expenditure. Cbus opposes this proposal. It is noted that the reversal of evidential burden of proof and record keeping obligations do not apply to trustees of a Self-Managed Superannuation Fund (SMSF)

Recommendation: The proposed reversed onus of proof cannot be justified and must not be implemented.

Underperformance measures – carveouts for retail funds and members in choice products

The Productivity Commission noted that only 24% of system assets are currently held in MySuper products, in contrast the choice segment (excluding SMSFs) accounts for 41% of total assets. We are concerned that Choice segment (which includes much of the retirement segment) is not initially included in the proposed performance measures, despite the Productivity Commission findings that this is where many of the worst member outcomes occur.

Specifically, in relation to the Choice segment, the Productivity Commission found:

- That there is a wider variation in performance in the Choice sector than the default sector
- Approximately 36 per cent of the choice investment options delivered returns more than 25 basis points below their tailored benchmark
- Choice products offered by retail funds account for almost all the 'tail' of higher-fee products — those with fees above 1.5 per cent of assets

Whilst we acknowledge the need for strong protections for default members, we are concerned that the significant number of members in choice funds are not receiving adequate protection against poor outcomes by the proposed measures. Given the compulsory nature of the system, and that many members who hold Choice products do so as a result of financial advice, the Government has a responsibility to provide equal protection to all members. The Terms of Reference for the Royal

[22] Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, Final Report – Volume 1 (2019), pg. 234

[23] Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, Final Report – Volume 1 (2019), pg. 235

Commission reflected this, stating that 'All Australians have the right to be treated honestly and fairly in their dealings with banking, superannuation and financial services providers'.

The APRA performance test will initially only apply to all MySuper products. It is then proposed to extend to other products in 2022, but only Choice products that meet the definition of a 'trustee directed product' will then be tested. Industry Super Australia (ISA) analysis indicates that this means approximately $881 billion in funds under management and 8.4 million member accounts will not be subject to benchmarking. In addition, there are no proposals to assess pension products.

Additionally, it is currently proposed that the YourSuper comparison tool will only include MySuper products and exclude all Choice products.

Given the underperformance in this sector and the significant number of members invested in these products, all products must be included in both the YourSuper comparison tool and the annual performance benchmark. This must be included in the legislation and not left to be prescribed in future regulations as this will simply continue the unacceptable trend of carveouts of Choice products which has led to significant member harm.

Recommendation: Proposals must apply to every superannuation product, starting on the same date, as recommended by the Productivity Commission

Underperformance measures – carveouts for retail funds with high administration fees

Cbus is concerned that the proposed performance measure omits the impact of administration fees on member retirement outcomes. Administration fees make up a significant component of the total fees paid by members. APRA data shows that in 2018/19 administration fees made up 43% of total fees paid[24]. This is similarly supported by Rainmaker data which found that in 2019/20 about one third of the average fee paid by super members was for administration and product related fees.

The way in which fees are charged is not consistent across the industry. For example, Rainmaker estimates that Not for Profit Super funds charged on average 0.32% less than retail funds for administration[25]. In addition, for many platform products, the administration fee charged to members varies depending on the investment choice selected by the member.

Productivity Commission, pg. 6

"Investment returns, after all fees and taxes, matter most for members' retirement incomes"

Long-term net returns (after all fees) is what determines retirement outcomes for members. This is what a member receives and this should therefore be the foundation for any comparison of superannuation funds.

Any benchmark or comparison that does not include all fees and costs charged to members will be misleading and will incentivise gaming behaviour by unscrupulous industry participants. This type of behaviour could include charging higher administration costs and the establishment of low-cost entry products which will be deisgned to and be used to funnel members into more expensive products.

[24] APRA, Annual superannuation bulletin (2021). Available from: https://www.apra.gov.au/annual-superannuation-bulletin

[25] Rainmaker, Superannuation fee revenue declines (2020). Available from: https://www.rainmaker.com.au/media-release/annual-superannuation-fee-revenue-experiences-second-consecutive-decline

These concerns are not merely hypothetical. The Royal Commission[26] provided a numberof examples of this type of behaviour whereby the interests of a parent company where given priority over the interests of beneficiaries, including:

- Selling of superannuation through bank branches.
- Delays in transferring accrued default amounts (ADAs) to MySuper products – as a consequence of the delay, members paid high fees for longer than they would have had their ADAs been transferred earlier.
- Switching members out of existing default products into Choice products in order to avoid being transferred to a MySuper product.
- Deliberately making it difficult for existing members to find out about or access lower fees.

The risk of this behaviour is particularly acute for Choice products. For MySuper products, administration fees must relate to the costs of operating the fund. There is not such restriction in place for Choice products.

Recommendation: Proposals must compare products by long term returns net of all fees including administration fees.

[26] Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, Volume 2: Case Studies (2019). Available from: https://www.royalcommission.gov.au/sites/default/files/2019-02/fsrc-volume-2-final-report.pdf

3 Impact on investments and ultimately members

Best Financial Interests overreach

The Bills propose to allow regulations to be made to specify that certain payments or investments made by trustees are prohibited or prohibited unless certain conditions are met. The Explanatory Memorandum states that *"These payments are prohibited regardless of whether the payment is considered to be in the best financial interests of beneficiaries'*.

The ability for a Government to ban any fund expenditure or investment that is in the best financial interests of members is by its very nature not in the best financial interests of Cbus members. It is unprecedented and the Explanatory Memorandum provides no explanation why it would ever be appropriate for a Government to override a trustee's decision. The proposal undermines centuries of established law which is at pains to prevent courts from overturning a trustee's considered decisions on subjective grounds. It is not clear who would make a decision to ban a trustee from incurring specific expenditure or making a specific investment, or on what grounds. It is not clear whether a Government that exercised that proposed veto would have to notify members or justify such a decision, given that it would be damaging to their financial interests.

The proposal has the potential to undermine competition by subjecting a particular fund or group of funds to restrictions not imposed on competitors. The proposal would a Government to ban a fund from making an investment in a particular state, industry or sector, even where the investment is in the best financial interests of fund members to do so. This creates an ongoing risk of politically motivated interference in fund operations that is not in the best financial interests of Cbus members.

The ability to ban particular expenditure or investments that are in the best financial interests of members via regulations enables a Government to avoid full parliamentary oversight of the exercise of this unlimited power.

Investing responsibly is important for our members' long-term returns. As a responsible investor, we consider the long-term material ESG risks and opportunities in investment decisions. That is, the ESG risks and opportunities most likely to have a significant impact on the value of an investment. Companies that take ESG factors into account are likely to have sustainable business models and an ability to generate long-term returns for our members.

Cbus strongly opposes this proposal.

Recommendation: The proposed power to ban payments and investments that are in the best financial interests of members cannot be justified and should not proceed.

Impact on high performing funds

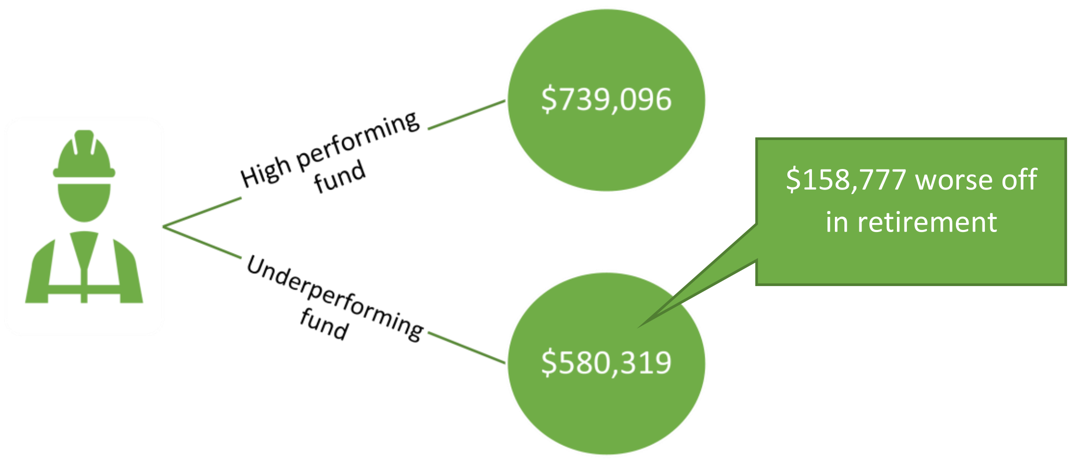
Cbus has a proud history of strong long-term performance, helping our members build a secure future. Since Cbus' inception in 1984 we have been one of the very best performers, throughout all market conditions and time periods. A key driver of this strong long-term performance is our ability to actively invest in a wide range of investments, including unlisted assets such as property and infrastructure.

This diversification is important in protecting the retirement savings of Cbus members and was reflected in the Retirement Income Review which stated that "Superannuation funds help protect members from investment risk through prudent and diversified investment strategies. As a result, **falls in superannuation fund returns are typically significantly lower than those in equity markets."**

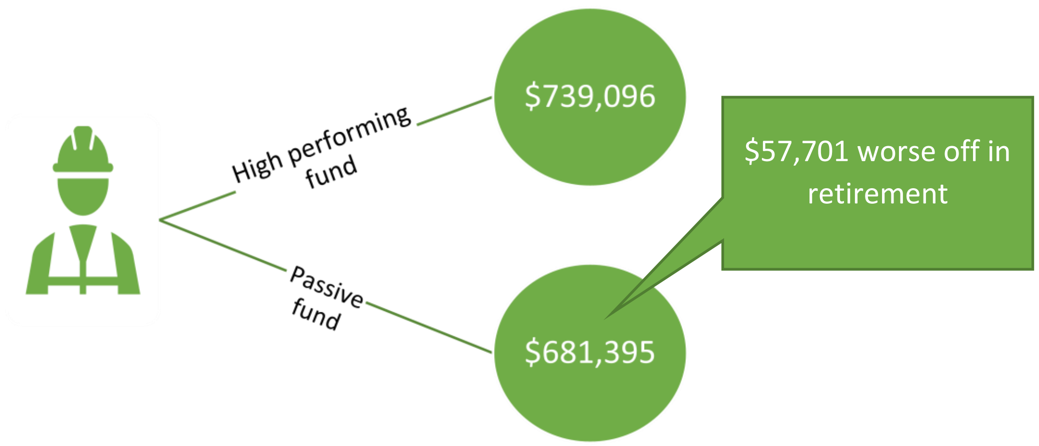
We fundamentally believe in our existing investment strategy and approach. We are concerned that the proposed benchmarks may interfere with asset allocation and security selection by successful funds such as Cbus. In particular, we are concerned that applying a listed strategic asset allocation benchmark to private market assets could lead to funds favouring passive listed exposure over investment in actively managed unlisted assets, which provide key diversification benefits and longer-term investment opportunities including essential infrastructure. The proposed benchmark will disadvantage Cbus and other funds holding unlisted assets which have a higher divergence in risk profile and returns compared to listed markets.

To better understand the potential lifetime impact of a member to be stapled to different types of funds, Rice Warner compared retirement outcomes for a selection of sample members, using the Government's proposed underperformance benchmarks.

Cameo 1 – 25-year-old stapled to an underperforming fund



Cameo 2 – 25-year-old stapled to a passive fund



Source: Rice Warner
Assumptions: **Overperforming fund:** Net Investment Return (NIR) relative to Strategic Asset Allocation (SAA) of +0.50% **Passive fund:** NIR relative to SAA of 0.00% **Underperforming fund:** NIR relative to SAA of -0.50%

The analysis assumed a high performing fund outperformed the benchmark by only 0.50% p.a. In contrast, APRA's Heatmap found the Cbus MySuper fund outperformed the SAA benchmark by 1.49% p.a over the past six years. Rice Warner's findings are therefore conservative.

Despite being a conservative estimate, the findings show that being in a high performing fund such as Cbus makes a significant difference to a member's retirement balance and therefore quality of life in retirement. Consequently, in addition to removing underperformers, Government must ensure that its proposals do not limit the ability of funds to deliver high quality returns – over and above the proposed benchmarks.

The difference of improving after-fee investment returns was also confirmed by the Retirement Income Review which found that a 0.5 per cent increase in after-fee returns could boost replacement rates for the median earner by 4 percentage points[27]

"I don't think (Cbus being the default fund for the construction industry is) unfair because Cbus is a decent super fund. But if it was a low performing super fund, I would consider that unfair." Cbus member

Recommendation: Proposed benchmarks must reflect the specific characteristics of the asset class, including the market structure and risk profile, so to avoid unintended consequences on asset allocation and security selection decisions.

The performance benchmarks should be expanded to cover additional time periods and metrics, including risk-adjusted measures.

Portfolio Holdings Disclosure (PHD)

The Bill seeks to remove the exemption from Portfolio Holdings Disclosure rules that allows a trustee to determine up to five percent of assets that are not required to be made publicly available. This exemption was added in April 2019 to address concerns that disclosing data relating to some private equity investments and unlisted assets would be detrimental to the interests of fund members. It is noted that the ability was provided for regulations to prescribe that the total value and the total weighting exposure of these assets needs to still be disclosed.

Whilst Cbus welcomes greater disclosure to members over assets funds hold, we note that several unlisted asset types are, by nature, more sensitive to disclosure of their market value. By disclosing their market value, we would be potentially impacting the sale price of an asset and ultimately may not be in the best financial interests of fund members.

Cbus does not support the proposal to remove the exemption from Portfolio Holdings Disclosure rules.

[27] Retirement Income Review, Final Report (2020), Pg. 182. Available from: https://treasury.gov.au/sites/default/files/2021-02/p2020-100554-udcomplete-report.pdf

4 Commencement

It is not acceptable that key definitions and measures are proposed to be implemented via regulations

The Bill has left a significant amount of detail to be provided by regulations. Some of the detail that has been left to regulations includes (but is not limited to):

- Prohibit specified payments and investments even if they are in the members best financial interests
- Prescribe additional requirements where failure to comply would contravene the best financial interests duty
- Definition of a stapled fund, including basic requirements, tie-breaker rules and circumstances that a fund ceases to be a stapled fund.
- Definition of which products (in addition to MySuper) are included in annual performance tests
- The methodology to calculate a product's performance and benchmark
- May allow different performance requirements for different products and provides APRA with flexibility in how test is applied
- Circumstances in which prohibition from accepting new beneficiaries may be lifted
- Formula for ranking products
- Expenditure record-keeping obligations

Consequently, it is impossible for industry or Parliament to determine the full effect of the proposed legislative change. Commencement should be delayed until a satisfactory level of detail is included in the Bill that allows Parliament and industry to adequately assess the proposed changes.

1 July 2021 is not feasible

The proposal to commence all measures of 1 July 2021 is not feasible from several perspectives:

- Members: The proposals would represent a significant change to the way in which individual members are expected to engage with their superannuation. A commencement date of 1 July does not provide enough time for members to be warned of how the changes will impact them prior to commencement.
- Industry: The proposals represent a significant administrative burden on superannuation funds, particularly onerous expenditure requirements.
- Regulators: The proposals provide a significant burden on Regulators and enough time is needed to ensure that processes and systems developed are appropriate and fit for purpose.

Underperformance must first be dealt with before stapling

The proposal to implement performance benchmarking and stapling at the same time significantly risks members being stapled to an underperforming fund – potentially for life. This will have a significant adverse impact on members final retirement balances and therefore their quality of life in retirement.

As identified by the Productivity Commission, the biggest risk to an individual's retirement balance is ending up in an underperforming fund. The Commission identified that being in an underperforming MySuper product could lead to $502,000 less in retirement, in contrast unintentionally holding multiple accounts could lead to $51,000 less in retirement.

The consequences of missing performance benchmarks will result in a new generation of members remaining in legacy products, significantly impacting their retirement outcomes.

This approach would align with what was envisaged by the Productivity Commission. The Productivity Commission stated "Making sure this happens in an orderly manner will require a considered transition and implementation strategy that delivers outcomes that are in members' best interests — and that is manageable for the regulators (especially APRA) to oversee and for industry to digest." Consequently, the Productivity Commission recommended that the transition should occur via a staggered approach within three years (following the passage of legislation) and that the final step in the transition is to implement a 'default once' model.

Productivity Commission, pg. 623

"Several structures need to be in place before switching from employer-chosen defaults to employee choice, so that making a choice is simple and safe for members. The process of cleaning up the 'tail' of underperforming MySuper products will need to have commenced (as described above), so that new members cannot join these products"

<u>Stapling should not be introduced into Parliament until an automated system has been built and properly user tested</u>

The stapling proposal will require employers to contact the Australian Taxation Office every time they hire a new worker to get information about the worker's existing superannuation. The Government acknowledges that initially this will need to be done manually. Some Cbus employers have expressed concerns about this proposal. In particular, small employers are concerned about being required to get superannuation information from the ATO every time they hire a new worker, particularly in the absence of a system to facilitate this. Some employers have also expressed concerns about workers being left without industry-specific insurance.

Recommendation: The substance of the package of reforms must be included in the Bills and subjected to full Parliamentary oversight. Important superannuation policy change must not be implemented via regulations.

Recommendation: A commencement date of 1 July 2021 is not feasible.

Recommendation: The commencement date should be 1 July 2022 for performance benchmarking, followed by later commencement dates for other measures once it is clear that underperforming funds have been removed from the system.

Recommendation: Stapling should not be introduced into Parliament until an automated system has been built and properly user tested.

Appendix

Dangerous Occupation Sub Major Groups – List of Detailed Occupations (ANZSCO)

Construction and Mining Labourers
Construction and Mining Labourers
Building and Plumbing Labourers
Builder's Labourer
Drainage, Sewerage and Stormwater Labourer
Earthmoving Labourer
Plumber's Assistant
Concreter
Fencer
Insulation and Home Improvement Installers
Building Insulation Installer
Home Improvement Installer
Paving and Surfacing Labourer
Railway Track Workers
Railway Track Worker
Structural Steel Construction Workers
Construction Rigger
Scaffolder
Steel Fixer
Structural Steel Erector
Crane Chaser
Driller's Assistant
Lagger
Mining Support Worker
Surveyor's Assistant

Other Labourers
Freight and Furniture Handlers
Freight Handler (Rail or Road)
Truck Driver's Offsider
Waterside Worker
Shelf Fillers
Shelf Filler
Caretakers
Deck Hand
Fishing Hand
Handyperson
Motor Vehicle Parts and Accessories Fitter (General)
Autoglazier
Exhaust and Muffler Repairer
Radiator Repairer
Tyre Fitter
Printer's Assistant
Printing Table Worker
Recycling or Rubbish Collector
Vending Machine Attendant
Bicycle Mechanic
Car Park Attendant
Crossing Supervisor
Electrical or Telecommunications Trades Assistant
Leaflet or Newspaper Deliverer
Mechanic's Assistant
Railways Assistant
Sign Erector
Ticket Collector or Usher
Trolley Collector
Road Traffic Controller

Construction Trades Workers
Bricklayer
Stonemason
Carpenter
Joiner
Floor Finisher
Painting Trades Worker
Glazier
Fibrous Plasterer
Solid Plasterer
Roof Tiler
Wall and Floor Tiler
Plumber (General)
Airconditioning and Mechanical Services Plumber
Drainer \ Drainlayer
Gasfitter
Roof Plumber

Electrotechnology and Telecommunications Trades Workers
Electrician (General)
Electrician (Special Class)
Lift Mechanic
Airconditioning and Refrigeration Mechanic
Electrical Linesworker \ Electrical Line Mechanic
Technical Cable Jointer
Business Machine Mechanic
Communications Operator
Electronic Equipment Trades Worker
Electronic Instrument Trades Worker (General)
Electronic Instrument Trades Worker (Special Class)
Cabler (Data and Telecommunications)
Telecommunications Cable Jointer
Telecommunications Linesworker \
Telecommunications Line Mechanic
Telecommunications Technician

Automotive and Engineering Trades Workers
Automotive Electrician
Motor Mechanic (General)
Diesel Motor Mechanic
Motorcycle Mechanic
Small Engine Mechanic
Blacksmith
Electroplater
Farrier
Metal Casting Trades Worker
Metal Polisher
Sheetmetal Trades Worker
Metal Fabricator
Pressure Welder
Welder (First Class) (Aus)
Aircraft Maintenance Engineer (Avionics)
Aircraft Maintenance Engineer (Mechanical)
Aircraft Maintenance Engineer (Structures)
Fitter (General)
Fitter and Turner
Fitter-Welder
Metal Machinist (First Class)
Textile, Clothing and Footwear Mechanic
Metal Fitters and Machinists
Engraver
Gunsmith
Locksmith
Precision Instrument Maker and Repairer
Saw Maker and Repairer
Watch and Clock Maker and Repairer
Engineering Patternmaker
Toolmaker
Panelbeater
Vehicle Body Builder
Vehicle Trimmer
Vehicle Painter

Machine and Stationary Plant Operators
Clay Products Machine Operator
Concrete Products Machine Operator
Glass Production Machine Operator
Stone Processing Machine Operator
Clay, Concrete, Glass and Stone Processing Machine Operators
Industrial Spraypainter
Paper Products Machine Operator
Sawmilling Operator
Other Wood Processing Machine Operator
Photographic Developer and Printer
Plastic Cablemaking Machine Operator
Plastic Compounding and Reclamation Machine Operator
Plastics Fabricator or Welder
Plastics Production Machine Operator (General)
Reinforced Plastic and Composite Production Worker
Rubber Production Machine Operator
Sewing Machinist
Footwear Production Machine Operator
Hide and Skin Processing Machine Operator
Knitting Machine Operator
Textile Dyeing and Finishing Machine Operator
Weaving Machine Operator
Yarn Carding and Spinning Machine Operator
Textile and Footwear Production Machine Operators
Chemical Production Machine Operator
Motion Picture Projectionist
Sand Blaster
Sterilisation Technician
Crane, Hoist and Lift Operator
Driller
Miner
Shot Firer
Engineering Production Worker
Boiler or Engine Operator
Bulk Materials Handling Plant Operator
Cement Production Plant Operator
Concrete Batching Plant Operator
Concrete Pump Operator
Paper and Pulp Mill Operator
Railway Signal Operator
Train Controller
Waste Water or Water Plant Operator
Weighbridge Operator

Mobile Plant Operators
Agricultural and Horticultural Mobile Plant Operator
Logging Plant Operator
Earthmoving Plant Operator (General)
Backhoe Operator
Bulldozer Operator
Excavator Operator
Grader Operator
Loader Operator
Forklift Driver
Aircraft Baggage Handler and Airline Ground Crew
Linemarker
Paving Plant Operator
Railway Track Plant Operator
Road Roller Operator
Streetsweeper Operator

Road and Rail Drivers
Chauffeur
Taxi Driver
Bus Driver
Charter and Tour Bus Driver
Passenger Coach Driver
Train Driver
Tram Driver
Delivery Driver
Truck Driver (General)
Aircraft Refueller
Furniture Removalist
Tanker Driver
Tow Truck Driver

Skilled Animal and Horticultural Workers
Dog Handler or Trainer
Horse Trainer
Pet Groomer
Zookeeper
Kennel Hand
Animal Attendants and Trainers
Shearer
Veterinary Nurse
Florist
Gardener (General)
Arborist
Landscape Gardener
Greenkeeper
Nurseryperson

Farm, Forestry and Garden Workers
Aquaculture Worker
Fruit or Nut Farm Worker
Fruit or Nut Picker
Grain, Oilseed or Pasture Farm Worker (Aus)
Vegetable Farm Worker (Aus)
Vegetable Picker
Vineyard Worker
Mushroom Picker
Crop Farm Workers
Forestry Worker
Logging Assistant
Tree Faller
Garden Labourer
Horticultural Nursery Assistant
Beef Cattle Farm Worker
Dairy Cattle Farm Worker
Mixed Livestock Farm Worker
Poultry Farm Worker
Sheep Farm Worker
Stablehand
Wool Handler
Mixed Crop and Livestock Farm Worker
Hunter-Trapper
Pest Controller

Farmers and Farm Managers
Aquaculture Farmer
Cotton Grower
Flower Grower
Fruit or Nut Grower
Grain, Oilseed or Pasture Grower \ Field Crop Grower
Grape Grower
Mixed Crop Farmer
Sugar Cane Grower
Turf Grower
Vegetable Grower (Aus)
Crop Farmers
Apiarist
Beef Cattle Farmer
Dairy Cattle Farmer
Deer Farmer
Goat Farmer
Horse Breeder
Mixed Livestock Farmer
Pig Farmer
Poultry Farmer
Sheep Farmer
Livestock Farmers
Mixed Crop and Livestock Farmer

Protective Service Workers
Defence Force Member
Emergency Service Worker
Fire Fighter
Detective
Police Officer
Prison Officer
Alarm, Security or Surveillance Monitor
Armoured Car Escort
Crowd Controller
Private Investigator
Retail Loss Prevention Officer
Security Consultant
Security Officer
Security Officers and Guards

Health and Welfare Support Workers
Ambulance Officer
Intensive Care Ambulance Paramedic (Aus)
Dental Hygienist
Dental Prosthetist
Dental Technician
Dental Therapist
Diversional Therapist
Enrolled Nurse
Mothercraft Nurse
Aboriginal and Torres Strait Islander Health Worker
Kaiawhina (Hauora) (Maori Health Assistant)
Massage Therapist
Community Worker
Disabilities Services Officer
Family Support Worker
Parole or Probation Officer
Residential Care Officer
Youth Worker