

19 February 2026

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Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025

CBUS welcomes the opportunity to provide feedback on the Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Bill 2025.

CBUS is the leading industry super fund representing those that help build, maintain and shape Australia, providing superannuation and income stream accounts to approximately 925,000 members and managing over \$105 billion of our members' money (as of 30 June 2025).

Our members are predominantly from the building and construction, energy and related sectors, with a high proportion of members working in higher risk occupations. We also have members in the printing, media, entertainment and arts industries. Their occupations tend to be more itinerant in nature and are more at risk of unpaid super.

We support Schedule 1 and 2 of the Bill which will better protect workers who change jobs from being directed towards opening a new inappropriate product that is not subject to the same consumer protections offered by MySuper products, default products and products which have passed the performance test.

In a compulsory system, the Government has a responsibility to ensure members are not subjected to manipulative choice architecture that steers them into high-fee or underperforming funds. However, we remain concerned about unintended consequences for workers entering hazardous industries, who may be left without vital insurance coverage when they change jobs.

Protecting workers - impact on insurance coverage

As superannuation policy continues to evolve, reforms must strengthen – and not inadvertently weaken – the insurance protections workers rely on. For many in building, construction, energy and other high-risk occupations, insurance inside superannuation is not an 'add-on', but a critical safety net when ill health or injury cuts short a working life.

The default system has served Australians well for over four decades, with most default members joining high performing funds, with automatic insurance cover appropriate for the industry in which they work.

Last financial year alone, CBUS accepted 4,027 claims and \$427.5 million was paid in benefits to our members and their families. A key safeguard within the system is the Dangerous Occupation Exception (DOE), of which CBUS is one of the very few funds to adopt and enables us to provide automatic coverage to workers in hazardous occupations, regardless of their age or account balance. The purpose of this exception is to ensure workers in hazardous industries are not left uninsured. Between April 2021 and 31 December 2025, CBUS has paid a total of

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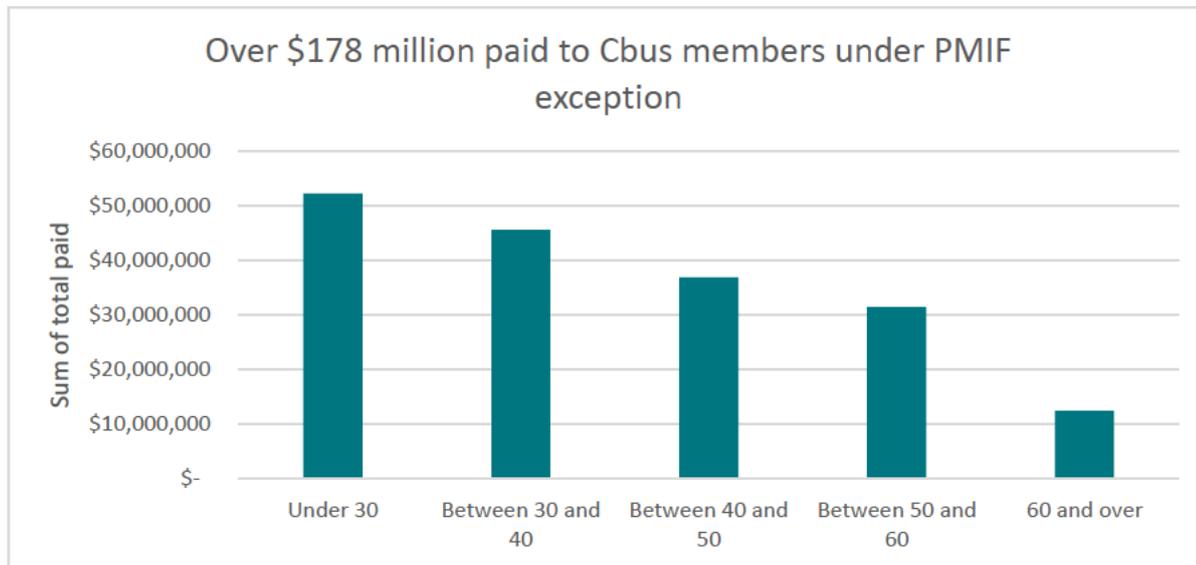
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\$178.5 million to over 1,400 members or their loved ones – had these members been with almost any other fund, they would have received nothing. The majority of these members are under the age of 30 and likely new entrants to the industry.



Without appropriate safeguards, the proposed changes could have unintended consequences for workers moving into hazardous industries and funds that provide no insurance, or insurance that is unsuitable for the risks they face. The Your Future Your Super review recognised this risk, noting that *'employees changing jobs may have inappropriate insurance cover within their stapled superannuation account, particularly those moving to high-risk occupations.'*¹

Workers moving into hazardous industries should not unknowingly lose vital protection simply because they change employers.

To better protect workers, policy settings must ensure that members are not stapled to their existing fund or encouraged to select a new fund, without clear warnings and protections regarding their insurance coverage.

Recommendations:

1. Policy settings should reinforce the role of high-quality default industry funds, ensuring workers in hazardous occupations are not disadvantaged by being stapled to a fund that does not meet their needs. There should be appropriate warnings of staying in a stapled fund or choosing a new fund – in particular the risks of having no insurance or inappropriate insurance cover if moving to a high-risk occupation.
2. If a member is shown their existing stapled fund in the onboarding process – it must be a requirement for there to also be a disclosure of whether the account has insurance or not – as per existing online ATO choice of fund form.

¹ Treasury, YFYS Review – Summary of issues (2023). <https://treasury.gov.au/sites/default/files/2023-04/c2022-313936-yfys-review.pdf>

Protecting workers from selective manipulation

We remain concerned that members will continue to be subjected to selective manipulation in onboarding processes that undermine the consumer protections offered by the default regime. How super fund choices are presented to workers matters just as much as the choices themselves.

The legislation considers regulations in relation to advertising. We recommend that regulations should ensure that:

1. Fund selection order should be standardised, ensuring that workers are not unfairly nudged into new and unsuitable options. Regulations should require an employer's default fund to be given higher prominence than advertised funds.
2. Onboarding software providers should be required to include clear disclaimers warning employees about the risks of switching to a fund that does not offer appropriate insurance or has higher fees and lower net returns.
3. Workers should not be forced to choose a fund when onboarding. Members should be able to select an option of 'I don't want to choose a super fund right now' as per the current ATO online choice of fund form.
4. When a worker does join a new fund, they should easily be able to consolidate any existing fund to reduce likelihood of multiple accounts.

Superannuation is compulsory. The system should be designed to actively protect workers – particularly those undertaking hazardous work – from losing retirement savings or essential insurance protection because of how choices are structured and presented.