

Annual Report

2019/2020

Issued 20 November 2020



**BE YOU
WITH BUSSQ.**

BUSSQ
building super

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This Annual Report forms part of your 2020 Annual Member Statement and must be read together with your Annual Member Statement. This Annual Report covers:

BUSSQ MySuper
BUSSQ Premium Choice
BUSSQ Income account
Child Income account
Term Allocated Pension and
Transition to Retirement Income account

This Annual Report has been prepared by BUSS (Queensland) Pty Ltd (ABN 15 065 081 281, AFSL 237860) as Trustee for BUSSQ (BUSSQ Fund, ABN 85 571 332 201). The information supplied is general advice only and does not take into account or consider your personal objectives, financial situation or needs. Before acting, you should review the relevant Product Disclosure Statement to ensure you have all the information about the BUSSQ product and how it works and consider the appropriateness of the information to your needs or seek independent advice from a properly qualified professional. Past performance is not a reliable indicator of future returns. BUSSQ owns Skylight Financial Solutions Pty Ltd (ABN 46 076 835 848, AFSL 450139), the company that provides financial advice to our members.

1. Who we are

At BUSSQ we're focused on members' super, so they can focus on what's important to them, now and in retirement.

For over 35 years we have been supporting workers in the building, construction and civil industries. We understand the unique challenges of the industry and everything we do, from developing products to providing services, is focused on delivering solutions tailored to our members, whether they're just starting out, retired or in between.

We make the difficult easy by providing:

- personalised service to help members sort their super and insurance
- affordable financial advice, and
- specialised services to help members navigate the curve balls the industry can throw their way.

Our goal is to help members' finances to work as hard as they do, to secure their future.

2019/20 at a glance

Over 73,000 members

Over 20,000
participating employers

\$5 Billion funds under
management

\$5.8 Million in late
contributions collected by
our arrears department

Over 300 information
sessions held for members
where they work



What we provide for our members

Strong investment returns



BUSSQ is one of Australia's top performing super funds and has consistently outperformed other super funds over the short and long term. BUSSQ has been awarded SuperRatings Platinum Performance Rating for our MySuper, Premium Choice and Income account products.^

Insurance flexibility



Our insurance products are competitively priced and are designed to provide members with a simple, low cost alternative when it comes to purchasing insurance protection. Cover is provided by OnePath and includes:

- Death
- Total & Permanent Disablement, and
- Income Protection.

Cover is tailored for workers in the building, construction and civil industries and we often cover roles that are considered too high risk by other insurers.

Competitive fees



We keep our fees competitive to ensure more money goes into member's accounts. There are NO establishment, contribution or investment switching fees.

Industry leading arrears process



We're committed to making sure members receive the super they're entitled to. Our highly skilled internal Arrears team works closely with unions, employers and major contractors to help members get the super they're entitled to and worked so hard for.

Financial advice at no extra cost*



Skylight Financial Solutions, a wholly owned subsidiary of BUSSQ, provides members with straight forward financial advice on their super, including choosing insurance, investments and contributions, at no extra cost.

Skylight also offers complex superannuation advice, including advice on member's whole financial situation, covering insurances, wealth creation, estate planning and aged care, on a fee for service basis.

Profits to members



Our members always come first. Profits are returned to members, unlike many other super funds that pay a proportion of their profits to shareholders and commissions to agents.

Personalised service



We take the time to provide personalised service to our members, when and how they need it, to assist them to get their super on track. We offer a range of expert assistance, either on the member's worksite, at their home or in our office. Our team goes the extra mile to travel to worksites and workplaces to help members and employers.

[^] Past performance is not a reliable indicator of future returns. For more information about BUSSQ's awards and ratings refer to bussq.com.au.

^{*} Advice can be provided in person or over the phone. All complex financial advice is delivered by Skylight's Financial Planners. Members who receive complex advice and non-members who receive advice will be billed on a per hour basis. Refer to the Financial Services Guide for more information.

Financial planning

Financial planning advice is provided to BUSSQ members by our fully owned subsidiary Skylight Financial Solutions.

BUSSQ built Skylight to deliver more for families in and around building and construction. We saw a need to provide families with better, more affordable financial solutions, and from this Skylight was born.

Skylight is a standalone financial services company but, as it was built by BUSSQ it too has a strong customer focused culture.

Financial Planners from Skylight provide straightforward financial advice for BUSSQ members, including advice on contributions and choosing investment and insurance options at no extra cost*.

Skylight also provides a full range of tailored financial solutions on an affordable fee for service basis. From simple banking and budgeting tools, to business planning and complex financial strategies, covering insurances, wealth creation, estate planning and aged care, Skylight can help you get your finances sorted, wherever you are in life.

For more information on Skylight visit skylight.com.au or call **1800 759 544**.

* Personal limited financial advice about super including contributions and choosing insurance and investment options, is provided by Skylight Financial Solutions at no extra cost to BUSSQ members as it is included in BUSSQ's administration fees.



2. Message from the Chair

It has been an extraordinary year.

The outbreak of Coronavirus, and the market volatility and lockdowns that followed have presented everyone with unique challenges this year.

During this time of uncertainty, first and foremost for BUSSQ was the provision of continued service for members. The Fund not only continued but expanded their member services in this time, providing new ways for members to contact the Fund and extending business hours to ensure representatives were available to help when members were in need.

Being onsite supporting workers was also critical as the building and construction industry didn't shut down. The team adapted to provide an increased number of information sessions to smaller audiences, ensuring social distancing and COVID safe practices could be observed, to protect members and staff on worksites.

Through this time the Investment and Risk Management Committees and the Board of Directors also met more frequently strengthening the Funds ability to react to the evolving situation.

The impact Coronavirus had on investment markets worldwide was significant, but despite this the Fund achieved a good result for members investments this financial year.

All BUSSQ's pre-mixed investment options delivered a positive return for the year, highlighting the importance of having a diversified portfolio of assets. In addition, our Balanced Growth super option was rated as one of the top performing balanced funds in Australia by SuperRatings with a return of 2.46% for 2019/20.[^]

Earlier in the year a key focus for the Fund was the Putting Members Interests First legislation which introduced changes to the insurance cover provided by super funds. These reforms, aimed at ensuring members' superannuation is not unnecessarily eroded by insurance premiums, mean super funds can no longer provide default insurance cover to certain members unless they are employed in a dangerous occupation.

Recognising the types of occupations BUSSQ members are employed in and the importance of insurance cover, the Fund worked to ensure the dangerous occupations exception could be applied to members and the Fund could provide members with default insurance.

This year also saw changes to the Fund's Board of Directors. Long serving Member Director Wally Trohear retired from his role in December after 26 years on the board. We also welcomed Jacqui Collie and Emma Eaves as new Member Directors nominated by the Construction, Forestry, Mining and Energy Industrial Union of Employees (CFMEU) Queensland.

I would like to thank the team for their ongoing commitment and for the support they have provided for our members through the challenges of this year. We look forward to continuing to deliver leading superannuation products and service for our members and workers in the industry.



A handwritten signature in black ink that reads "Paula Masters". The script is cursive and fluid.

Paula Masters
Chair

[^] Performance comparison sourced from SuperRatings SR50 Balanced (60-76) Survey as at 30 June 2020. SuperRatings does not issue, sell, guarantee, or underwrite this product. See superratings.com.au for details of its ratings criteria.

3. Message from the CEO

The team's commitment to supporting our members has been a driving force across the Fund this year.

I am proud of how our team embraced the challenges presented by the Coronavirus outbreak. As the country went into varying levels of lockdown in late March the team quickly adjusted to working from home and adapting processes to ensure we could safely provide continued service for our members over the phone, online and most importantly in person.

The introduction of an economic stimulus package giving those in need early access to their super also called for the team to adapt quickly. To deliver this scheme systems were put in place not only to ensure members who applied promptly received the funds they needed, but also to ensure we delivered the scheme with rigour to protect members retirement savings.

We also extended our member response services to support the early access scheme. Our Member Response team, who provide support to members experiencing financial hardship, were on hand to assist members who accessed their super under the early release scheme and were in need of additional support through partner services such as counselling from Mates in Construction or financial assistance through BERT or Skylight.

As a Fund dedicated to supporting members, we feel providing this service is a must as it helps our members achieve their best possible retirement outcomes. It is also very important that we listen to our members and understand their needs.

We routinely conduct satisfaction surveys collecting member feedback and measuring their satisfaction with interactions across the fund using Net Promoter Scores (NPS), a widely used standard.

The Fund has always achieved NPS scores well above the average of 30 that many companies aim to achieve. In April this year amid the Coronavirus market volatility and the introduction of the early release scheme, our member services hub received an impressive score of 76, showing members were very satisfied and willing to recommend us to others, a position we strive to be in.

As we entered our 35th year supporting workers in the building, construction and civil industries, no one could have anticipated what was ahead, and as this year comes to a close so too does my time with the Fund.

It is with sadness that I am retiring at the end of 2020 after an incredibly rewarding 22 years with the Fund. Current Chief Operating Officer Damian Wills will be stepping into the role of CEO from January 2021. Damian has been with the Fund since 2016 and with a long track record in the superannuation industry he has the leadership and strategic vision to guide BUSSQ into the future.



A handwritten signature in black ink, appearing to read 'Linda Vickers'.

Linda Vickers
Chief Executive Officer

4. Investing for our members' future

Message from the CIO

BUSSQ manages approximately \$5 billion of members retirement savings.

Performance over the year for the Balanced Growth Super option was 2.46%, outperforming the SuperRatings Balanced funds median for the year of -0.82% and positioning BUSSQ as one of the top performing balanced funds for the year as rated by SuperRatings*.

The Balanced Growth Income Account option return of 1.83% also saw the option outperform the SuperRatings Balanced Income account median of -0.71%^ . Investment performance across all options for the financial year to 30 June 2020 can be seen below.

There were a number of factors through the year that contributed to our strong performance in this difficult time.

We made some changes to the Fund's investment approach to focus on different share strategies. This change improved the overall quality of companies the Fund was invested in and this improvement was seen in our allocation with Australian and Global investment managers, who outperformed their respective benchmarks.

In the first six months we had put in place some protection against a potential sell off in the share market, because although we were performing well, we became concerned with local and global share market valuations. This protection benefited the Fund's performance in March.

Also adding to the Fund's performance were our investments in cattle and vineyards within our agriculture asset class and assets such as wind and solar power within our infrastructure asset class.

Looking forward, to manage the current and expected challenges we will continue to maintain a diversified portfolio of investments, seek opportunities to add value and look to take advantage of the current market through changes to our investment strategy.



Simon Mather
Chief Investment Officer

2019/20 Returns in brief

Investment option	Super	Income account
Pre-mixed		
Balanced Growth	2.46%	1.83%
Defensive	1.07%	0.86%
High Growth	2.72%	1.19%
Single asset class		
Cash	1.13%	1.37%
Diversified Fixed Interest	2.04%	2.40%
Australian Shares	-0.18%	-0.18%
Australian Shares (Small Companies)	3.67%	6.76%
All Shares	1.78%	1.96%
International Shares	2.24%	2.50%
International Shares (Emerging Markets)	-1.32%	-1.48%

* Performance comparison sourced from SuperRatings SR50 Balanced (60-76) Survey as at 30 June 2020.

^ Performance comparison sourced from SuperRatings SRP50 Balanced (60-76) Survey as at 30 June 2020. SuperRatings does not issue, sell, guarantee, or underwrite this product. See superratings.com.au for details of its ratings criteria.

Investment markets in 2019/20

The 2019/20 financial year was a year unlike any other seen in recent times.

The year started well although with some distractions such as continued political risks around the unresolved US/China trade tensions, US Congressional investigation into President Trump's dealings with the Ukraine and Brexit.

Looking back, even with these distractions we saw share markets perform strongly during the first six months with the local share market up 3.1% and the US share market up 10.3%.

Then the Coronavirus pandemic triggered the largest peacetime shock to the global economy since the 1930s depression, bringing an end to three decades of growth in Australia. Initially in January and early February there was little reaction to the threat of Coronavirus, however towards the end of February into March we saw a significant sell off as countries around the world shut down large parts of their economy in order to contain Coronavirus.

Over the financial year we saw unprecedented policy response from central banks globally. Here in Australia the Reserve Bank of Australia (RBA) cut the official cash rate from 1.25 to 0.25% and the US Federal Reserve (FED) rates fell from 2.25 - 2.50% to 0.00 - 0.25%. The RBA announced it would provide lenders with funding of at least \$90 billion to support small and medium sized businesses, in an effort to keep this sector afloat throughout the pandemic.

It was a roller coaster of a ride for shares through the year. The Australian market finished down 7.7% while global shares returned 5.2%. Australia's underperformance relative to global shares was due to the mix of companies in the share market. Overseas markets particularly the US performed better due to the number of technology companies benefiting from the stay at home order.

Looking forward, the outlook remains uncertain and volatile due to several concerns, including Coronavirus, US presidential elections and the escalating tensions between China and the US. The outlook going forward is really centred on the global race to find a vaccine and its availability.

Investment strategy and objectives

The broad investment objective of the Trustee is to maximise investment returns after taking into account the risks associated with various types of investments.

The Trustee has a number of investment options available to members and each option has an investment objective and specific performance target detailed on the following pages.

In order to achieve its investment objectives, the Trustee has established an investment strategy for each option and regularly reviews the strategy against the investment objectives for each option. The Trustee aims to invest at certain levels in various asset classes within each investment option and this is called the 'target asset allocation'.

These allocations, listed on the following pages, are the long term target mix of asset classes for each option, but the actual investment allocations may differ slightly from the target allocation as the Trustee needs the flexibility to respond to conditions in the market. The Trustee will not, however, invest outside the defined asset class ranges which have been established with the assistance of a professional investment consultant. The Fund's Trustee constantly monitors investments and may vary the mix of asset classes during the year in accordance with market conditions to help achieve a steady and consistent return.

In addition, professional investment managers are appointed to manage the funds within each asset class. Investing in a diverse range of asset classes with a range of specialist investment managers offers diversification and in turn reduces investment risk.

Voting

We have the ability to influence the listed companies in which we invest on behalf of our members. We typically do this through our investment managers however we also have the right to vote on shares directly. Details of our voting can be found at bussq.com.au/investments/proxy-voting.

Responsible investing

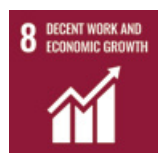
As part of the Fund's Environmental, Social and Governance (ESG) progress we have identified a subset of the United Nations Sustainable Development Goals (SDGs) that we consider to be directly relevant to the competitiveness and value of investments and that can be contributed to via capital allocation.

The SDGs are global goals to achieve a better and more sustainable future. They cover social and economic development issues such as poverty, health, education, climate change, gender equality, clean water and sanitation, affordable clean energy, urbanisation and social justice. As a worldwide focus of policy and programs, the SDGs help identify opportunities where we can positively contribute to the world our members retire in. They also indicate areas of likely future growth and opportunities.

BUSSQ has identified four SDGs as priority goals:



The purpose of this goal is to provide access to affordable, reliable, sustainable, and modern energy for all. A well established energy system supports all sectors: from businesses, medicine and education to agriculture, infrastructure, communications and high technology. We have investments in assets which provided renewable energy such as Bald Hills Wind farm in Victoria.



The purpose of this goal is to promote inclusive and sustainable economic growth, employment and decent work for all. Sustained and inclusive economic growth can drive progress, create decent jobs for all and improve living standards.



The purpose of this goal is to make cities inclusive, safe, resilient, and sustainable. This includes basic services such as transportation and water. We have investments in public transportation and water infrastructure that treats wastewater and provides clean water.

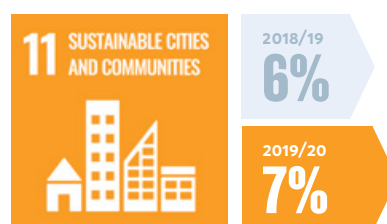


The purpose of this goal is to take action to tackle climate change and its impacts. The Fund has recently undertaken a project with most of its investment managers to review how they assess and manage climate risks and how that impacts their portfolios. This will be conducted regularly to continually identify any areas of risk in the portfolio and assess areas where positive impacts are being seen through projects such as carbon abatement with the Fund's investment in agriculture.

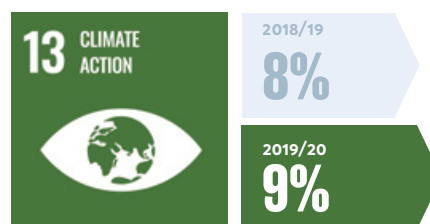
Over the past financial year BUSSQ has continued to focus on responsible investing. The table below shows an increase through the year of the Fund's capital allocation to the four goals. The increase was seen across shares, infrastructure and property.

We aim to improve on our responsible investing in the future which will show through an improvement in our weightings in these areas.

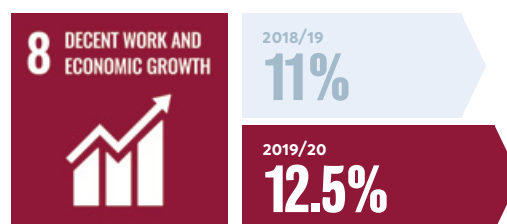
How our Fund assets positively impact our priority SDGs



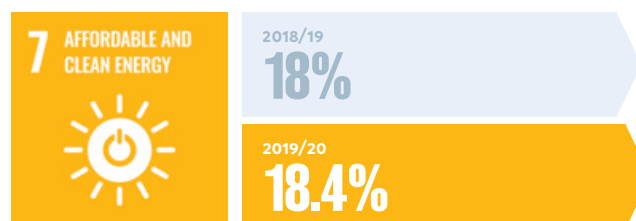
Percentage of Fund assets positively impacting SDG 11



Percentage of Fund assets positively impacting SDG 13



Percentage of Fund assets positively impacting SDG 8



Percentage of Fund assets positively impacting SDG 7

Note: Some investments are mapped to multiple goals

5. Managing BUSSQ

Board of Directors

Paula Masters

Chair and Member Director

Paula Masters has been a Director of BUSSQ since 1 May, 2015 and is the current Chair. Her other directorships are BERT Fund Limited, BEWT Welfare Limited, Bert Pty Ltd, Construction Income Protection Limited, QCTF Fund Limited and Coralgale Pty Ltd. Previously she was employed by the CFMEU Queensland Construction & General Division as the Systems and Governance Officer. Paula has a Bachelor of Commerce from the University of Queensland and a Graduate Diploma in Commercial Computing from QUT. She is a CPA and a member of the Institute of Chartered Secretaries, the Governance Institute of Australia and the Institute of Company Directors.

Sonya Beyers

Employer Director

Sonya Beyers has been a BUSSQ Director since 1 January, 2018. Sonya's other directorships are Horizon Realty Ltd, Australian Affordable Housing Solutions Limited, the Forde

Foundation and the Queensland Law Society Not for Profit Committee. Sonya provides client focused and high quality governance advisory and education services in her role as Founding Director of Governance by Design. Sonya also brings her wealth of experience as a consultant, solicitor and practising director to apply a personal approach to facilitation in her role as an accredited course facilitator for the Australian Institute of Company Directors.

Paul Bidwell

Employer Director

Paul Bidwell has been a Director of BUSSQ since 1 May, 2014. He is also a director of Timber Queensland Limited and Pac Plus Wholesalers Pty Ltd since 2013. Paul is Deputy CEO at Master Builders Association Queensland. Paul joined Master Builders in 2009 and has held numerous positions including Director of Housing prior to his appointment as Deputy CEO in 2013. Paul is a qualified valuer with tertiary qualifications in urban and regional planning, business administration and is a graduate of the Australian Institute of Company Directors.



BUSSQ Board of Directors (left to right) Grant Galvin, Jacqui Collie, Paula Masters, Sonya Beyers, Emma Eaves, Paul Bidwell.

Jacqui Collie

Member Director

Jacqui Collie has been a BUSSQ Director since 28 August, 2019. Her other directorships are Construction Income Protection Limited and The Construction Training Centre. Jacqui is the Governance, Political and Executive Officer of the CFMEU. She currently has responsibility for developing policies, processes and procedures and implementing and maintaining governance to ensure compliance with relevant legislation and regulations. Jacqui has extensive experience in the union movement for over 25 years previously working for the peak body, Queensland Council of Unions. Jacqui is also a Member of the Australian Institute of Company Directors.

Emma Eaves

Member Director

Emma Eaves has been a BUSSQ Director since 1 January, 2020. Her other directorships are Construction Skills Queensland and OCF Limited. Emma is Administration Executive for the CFMEU, where she currently assists with the financial operations of the CFMEU and Industrial Relations Administration. Her work history also includes small business and a number community organisations. Emma has worked in finance for over 20 years and has over six years' experience in the superannuation industry in both self-managed and industry style superannuation funds.

Grant Galvin

Employer Director

Grant Galvin has been a BUSSQ director since 1 January, 2014. He is also a director of Master Builders Queensland Legal Service. Grant is the CEO of Master Builders Association Queensland and has worked for them since July 2013. Grant's previous roles varied from Human Resource Management and Industrial Relations through to General Management and Large Scale Manufacturing Management in well known companies like Queensland Rail, Ansett, Goodman Fielder and News Ltd. This breadth of experience across multiple positions, disciplines and industries, coupled with his tertiary business studies at Griffith University, make Grant an extremely well rounded, enthusiastic, and experienced board member. He is currently studying a Master of Business through USQ.

Governance

BUSSQ is an employer sponsored public offer Fund which is operated to comply with the Superannuation Industry (Supervision) Act 1993 (SIS).

The Trustee of the Building Unions Superannuation Scheme (Queensland) (BUSSQ) is BUSS(Queensland) Pty Ltd and it is responsible for managing the Fund on behalf of its members. The Board of the Trustee company has six directors comprising an equal number of directors nominated by employers and members.

How are directors appointed to the board?

The Construction, Forestry, Mining and Energy Industrial Union of Employees (CFMEU) Queensland nominates three directors to represent the members and the Queensland Master Builders Association, Industrial Organisation of Employers nominates three directors to represent employers to the Fund.

How are directors removed from the board?

Representatives on the Board can be removed if they become disqualified (under the SIS Act), suspended or if there is a court order to remove them. Replacement representatives are appointed from the same sponsor to ensure there is always equal representation of members and employers.

How often does the board meet?

The Board meets every second month, or as needed, and has the responsibility of ensuring that the Fund is run in the best interests of all members. The Board also ensures that the Fund is operated and managed in accordance with the Trust Deed and superannuation legislation.

Trustee Committees

Certain Trustee responsibilities are delegated to Board appointed committees consisting of Trustee directors and other nominees of the Trustee. The committees report to the Board at the following Board meeting to have their decisions ratified.

The committees and the committee members and attendees as at 30 June 2020 were:

Audit, Governance and Compliance Committee

Sonya Beyers (Chair)
Paula Masters
Emma Eaves
Adrian O'Grady (attendee)

Investment Committee

Grant Galvin (Chair)
Jacqui Collie
Paul Bidwell
Emma Eaves
Sonya Beyers
Paula Masters

Remuneration and Nominations Committee

Sonya Beyers (Chair)
Jacqui Collie
Paula Masters
Grant Galvin

Insurance Committee

Paul Bidwell (Chair)
Grant Galvin
Jacqui Collie
Arturo Menon (attendee)
Paula Masters
Anthony Stott (attendee)

Risk Management Committee

Sonya Beyers (Chair)
Paula Masters
Emma Eaves
Adrian O'Grady (attendee)

Professional advisers and service providers

As at 30 June 2020 the following companies provided professional services to the Trustee to assist in efficient and proper management of the Fund.

Custodian

BNP Paribas Securities Services

Administrator

Australian Administration Services Pty Ltd

External auditor

Ernst and Young

Internal auditor

Deloitte

Tax agent

Ernst and Young

Insurer – group life

OnePath

Insurer – professional indemnity

Lloyds London
Liberty

Investment advice

Frontier Advisors
Investment managers as listed in section 6.

Indemnity insurance

The Trustee holds indemnity insurance to protect the Fund, the directors and officers from losses arising out of legal action taken against the Trustee.

6. Detailed investment information

Investment returns history

Investment option		Investment returns for year ended 30 June					Compound average return over 10 years	Compound average return over 5 years	Compound average return over 3 years
Pre-mixed		2020 %	2019 %	2018 %	2017 %	2016 %	% p.a	% p.a	% p.a
Balanced Growth	Super	2.46%	4.89%	8.79%	9.76%	7.00%	8.09%	6.55%	5.35%
	Income account	1.83%	4.97%	10.47%	9.40%	7.48%	8.97%	6.78%	5.70%
Defensive	Super	1.07%	3.53%	6.65%	5.85%	5.63%	5.83%	4.53%	3.73%
	Income account	0.86%	3.93%	8.17%	6.05%	6.25%	6.57%	5.02%	4.28%
High Growth	Super	2.72%	5.62%	9.96%	11.16%	7.36%	9.15%	7.32%	6.06%
	Income account	1.19%	5.88%	12.39%	11.56%	7.68%	10.03%	7.66%	6.39%
Single Asset Class									
Cash	Super	1.13%	1.83%	1.63%	1.75%	1.91%	2.56%	1.65%	1.53%
	Income account	1.37%	2.18%	2.44%	2.08%	2.27%	3.09%	2.07%	2.00%
Diversified Fixed Interest	Super	2.04%	3.74%	1.56%	2.17%	2.66%	3.75%	2.43%	2.44%
	Income account	2.40%	4.43%	2.37%	2.56%	3.16%	4.48%	2.98%	3.06%
Australian Shares	Super	-0.18%	5.22%	13.42%	13.15%	6.93%	8.91%	7.58%	6.01%
	Income account	-0.18%	6.20%	15.65%	15.02%	7.81%	10.22%	7.66%	7.03%
Australian Shares (Small Companies)	Super	3.67%	4.29%	14.29%	12.55%	10.13%	10.45%*	8.90%	7.31%
	Income account	6.76%	5.35%	16.53%	14.27%	11.15%	12.28%*	10.73%	9.44%
All Shares	Super	1.78%	6.16%	12.26%	14.99%	5.29%	9.87%*	7.99%	6.64%
	Income account	1.96%	6.93%	14.32%	17.01%	5.32%	11.12%*	8.96%	7.62%
International Shares	Super	2.24%	6.35%	11.58%	16.47%	3.62%	11.24%	7.93%	6.66%
	Income account	2.50%	7.01%	13.48%	18.49%	3.33%	12.59%	8.79%	7.57%
International Shares (Emerging Markets)	Super	-1.32%	3.15%	8.40%	15.67%	-6.82%	6.09%*	3.53%	3.34%
	Income account	-1.48%	3.53%	10.21%	17.86%	-8.32%	7.11%*	3.97%	3.98%

* Investment option commenced on 1 March 2011. This figure represents the compound average return over 7 years.

All rates are after tax, where applicable, and other management costs. These are shown in the BUSSQ Product Disclosure Statement (PDS) and your Annual Member Statement. The Single asset class options are only available to members of the BUSSQ Premium Choice and Income account products.

Investment options

Pre-mixed option

Balanced Growth Super

Designed for medium to long term investors. This is BUSSQ's default option for members who don't actively choose an investment option. Balanced Growth is the most diversified pre-mixed option and provides a mix of growth and defensive assets such as shares, property and fixed interest securities. The frequency of negative annual returns is expected to be 3.9 years over any 20 years*.

Investment objective

For the annual rate credited to members to exceed the change in the Consumer Price Index by +3.75% per annum over rolling 10 years.

Target asset allocation

	Strategic asset allocation	Range
Australian Shares	26.0%	20 – 40%
International Shares	25.0%	15 – 35%
Opportunistic Growth	2.5%	0 – 10%
Property	13.0%	5 – 20%
Infrastructure	12.5%	5 – 20%
Agriculture	4.0%	0 – 10%
Opportunistic Debt	5.0%	0 – 10%
Fixed Interest	10.0%	5 – 20%
Cash	2.0%	0 – 10%

Suggested minimum investment timeframe

At least five years

Risk level



Pre-mixed option

Defensive Super

Designed for short to medium term investors looking for stable returns with minimal capital growth. The Defensive option provides investment mainly in fixed interest securities, with moderate exposure to growth assets, such as shares and property. The frequency of negative annual returns is expected to be 2 years over any 20 years

Investment objective

For the annual rate credited to members to have a reasonable probability of exceeding the change in the Consumer Price Index by +2.25% per annum over rolling 10 years.

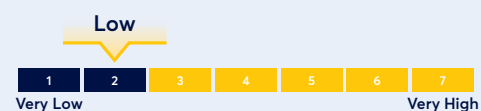
Target asset allocation

	Strategic asset allocation	Range
Australian Shares	10.0%	5 – 15%
International Shares	9.5%	5 – 15%
Opportunistic Growth	1.0%	0 – 10%
Property	12.5%	5 – 20%
Infrastructure	12.5%	5 – 20%
Agriculture	4.0%	0 – 10%
Opportunistic Debt	6.5%	0 – 10%
Fixed Interest	22.0%	15 – 40%
Cash	22.0%	10 – 30%

Suggested minimum investment timeframe

At least three years

Risk level



* The frequency of a negative return is based on the Standard Risk Measure Guidance for trustees recommended by APRA, ASIC, ASFA and FSC.

Pre-mixed option

High Growth Super

This option may suit long term investors looking for an attractive return and capital growth who can tolerate a higher level of risk and volatility. High Growth provides a high allocation of investments to growth assets, such as shares. The frequency of negative annual returns is expected to be 4.3 years over any 20 years*.

Investment objective

For the annual rate credited to members to exceed change in the Consumer Price Index by +4.25% per annum over rolling 10 years.

Target asset allocation

	Strategic asset allocation	Range
Australian Shares	38.0%	15 – 40%
International Shares	27.0%	10 – 25%
Opportunistic Growth	2.5%	0 – 10%
Property	13.0%	5 – 20%
Infrastructure	12.5%	5 – 20%
Agriculture	3.0%	0 – 10%
Opportunistic Debt	4.0%	0 – 20%
Cash	0.0%	0 – 5%

Suggested minimum investment timeframe

At least 10 years

Risk level



Pre-mixed option

Balanced Growth Income Account

Designed for medium to long term investors. Balanced Growth Income Account is the most diversified pre-mixed option and provides a mix of growth and defensive assets such as shares, property and fixed interest securities. The frequency of negative annual returns is expected to be 3.8 years over any 20 years*.

Investment objective

For the annual rate credited to members to exceed the change in the Consumer Price Index by +3.75% per annum over rolling 10 years.

Target asset allocation

	Strategic asset allocation	Range
Australian Shares	28.0%	15 – 40%
International Shares	17.0%	10 – 25%
Opportunistic Growth	2.5%	0 – 10%
Property	13.0%	5 – 20%
Infrastructure	12.5%	5 – 20%
Agriculture	3.0%	0 – 10%
Opportunistic Debt	7.0%	0 – 20%
Fixed Interest	13.0%	5 – 30%
Cash	4.0%	0 – 10%

Suggested minimum investment timeframe

At least five years

Risk level



* The frequency of a negative return is based on the Standard Risk Measure Guidance for trustees recommended by APRA, ASIC, ASFA and FSC.

Pre-mixed option Defensive Income Account

Designed for short to medium term investors looking for stable returns with minimal capital growth. The Defensive option provides investments mainly in fixed interest securities, with moderate exposure to growth assets, such as shares and property. The frequency of negative annual returns is expected to be 1.9 years over any 20 years*.

Investment objective

For the annual rate credited to members to have a reasonable probability of exceeding the change in the Consumer Price Index by +2.25% per annum over rolling 10 years.

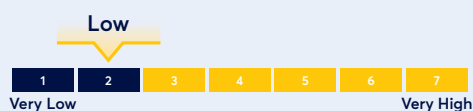
Target asset allocation

	Strategic asset allocation	Range
Australian Shares	10.0%	5 – 15%
International Shares	7.0%	5 – 15%
Opportunistic Growth	1.0%	0 – 10%
Property	12.5%	5 – 20%
Infrastructure	12.5%	5 – 20%
Agriculture	3.0%	0 – 10%
Opportunistic Debt	8.5%	0 – 25%
Fixed Interest	22.0%	15 – 50%
Cash	23.5%	10 – 30%

Suggested minimum investment timeframe

At least three years

Risk level



Pre-mixed option High Growth Income Account

This option may suit long term investors looking for an attractive return and capital growth and who can tolerate a higher level of risk and volatility. High Growth provides a high allocation of investments to growth assets, such as shares. The frequency of negative annual returns is expected to be 4.5 years over any 20 years*.

Investment objective

For the annual rate credited to members to have a reasonable probability of exceeding the change in the Consumer Price Index by +4.25% per annum over rolling 10 years.

Target asset allocation

	Strategic asset allocation	Range
Australian Shares	33.0%	30 – 50%
International Shares	31.0%	20 – 40%
Opportunistic Growth	2.5%	0 – 10%
Property	13.0%	5 – 20%
Infrastructure	12.5%	5 – 20%
Agriculture	4.0%	0 – 10%
Opportunistic Debt	4.0%	0 – 10%

Suggested minimum investment timeframe

At least 10 years

Risk level



* The frequency of a negative return is based on the Standard Risk Measure Guidance for trustees recommended by APRA, ASIC, ASFA and FSC.

Single asset class option

Cash

This investment option is for investors who are risk averse and looking for a secure 100% cash investment. This option may suit members who are willing to sacrifice overall return in favour of less risk and a steady rate of return. The Cash pool aims to avoid negative annual returns in any year*.

Investment objective

For the annual rate credited to members to have a reasonable probability of exceeding the change in the Consumer Price Index by +1.0% per annum over rolling 10 years.

Target asset allocation

Cash	100%
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Suggested minimum investment timeframe

Not applicable

Risk level

Very low



Single asset class option

Diversified Fixed Interest

This investment option is for investors looking for a stand alone Fixed Interest investment. This option invests in BUSSQ's Diversified Fixed Interest sector. The frequency of negative annual returns is expected to be 0.9 years over any 20 years*.

Investment objective

For the annual rate credited to members to have a reasonable probability of exceeding the change in the Consumer Price Index by +2.0% per annum over rolling 10 years.

Target asset allocation

Diversified Fixed Interest	100%
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Suggested minimum investment timeframe

At least three years

Risk level

Low to medium



* The frequency of a negative return is based on the Standard Risk Measure Guidance for trustees recommended by APRA, ASIC, ASFA and FSC.

Single asset class option Australian Shares

This investment option is for investors looking for a stand alone Australian Shares investment. This option is a sector specific option and invests 100% in BUSSQ's Australian Shares sector. The frequency of negative annual returns is expected to be 6.3 years over any 20 years*.

Investment objective

For the annual rate credited to members to have a reasonable probability of exceeding the change in the Consumer Price Index by +4.5% per annum over rolling 10 years.

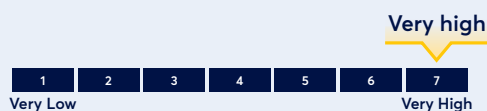
Target asset allocation

Australian Shares	100%
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Suggested minimum investment timeframe

At least 10 years

Risk level



Single asset class option Australian Shares (Small Companies)

This investment option is for investors looking for a stand alone investment, focused on shares in smaller Australian companies. This option is a sector specific option and invests 100% in Australian shares and, in particular, smaller listed companies. The frequency of negative annual returns is expected to be 7.4 years over any 20 years*.

Investment objective

The investment objective is for the annual rate of earnings credited to members to have a reasonable probability of exceeding the change in the Consumer Price Index by +5.0% per annum over rolling 10 years.

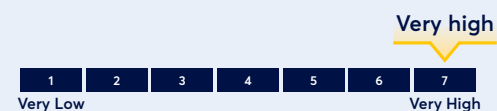
Target asset allocation

Australian Shares (Small Companies)	100%
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Suggested minimum investment timeframe

At least 10 years

Risk level



* The frequency of a negative return is based on the Standard Risk Measure Guidance for trustees recommended by APRA, ASIC, ASFA and FSC.

Single asset class option
All Shares

This investment option is for investors looking for a diversified Shares investment covering both Australian and International Shares. The option will invest 50% in Australian Shares and 50% in Overseas Shares. The frequency of negative annual returns is expected to be 5.4 years over any 20 years*.

Investment objective

The investment objective is for the annual rate of earnings credited to members to have a reasonable probability of exceeding the change in the Consumer Price Index by +4.5% per annum over rolling 10 years.

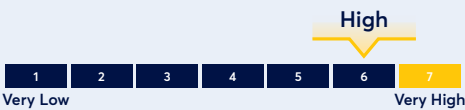
Target asset allocation

Australian Shares	49-51%
International Shares	49-51%

Suggested minimum investment timeframe

At least 10 years

Risk level



Single asset class option
International Shares

This investment option is for investors looking for a stand alone International Shares investment. This option has variable currency hedging depending on market conditions and the assessed relative value of the Australian dollar. The frequency of negative annual returns is expected to be 5.6 years over any 20 years*.

Investment objective

For the annual rate credited to members to have a reasonable probability of exceeding the change in the Consumer Price Index by +4.5% per annum over rolling 10 years.

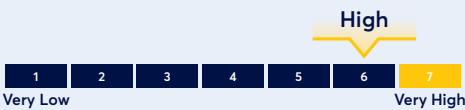
Target asset allocation

International Shares	100%
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Suggested minimum investment timeframe

At least 10 years

Risk level



* The frequency of a negative return is based on the Standard Risk Measure Guidance for trustees recommended by APRA, ASIC, ASFA and FSC.

Single asset class option

International Shares (Emerging Markets)

This investment option is for investors looking for a stand alone investment in International Shares in emerging market countries (e.g. Brazil, India, China). This option is unhedged, which means that it will be subject to fluctuations in performance because of currency movements. The frequency of negative annual returns is expected to be 6.1 years over any 20 years*.

Investment objective

For the annual rate of earnings credited to members to have a reasonable probability of exceeding the change in the Consumer Price Index by +5.0% per annum over rolling 10 years.

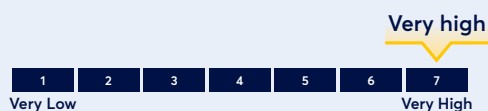
Target asset allocation

International Shares (Emerging Markets)	100%
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Suggested minimum investment timeframe

At least 10 years

Risk level



* The frequency of a negative return is based on the Standard Risk Measure Guidance for trustees recommended by APRA, ASIC, ASFA and FSC.

Who helps BUSSQ invest?

The Trustee has responsibility for the Fund's investments, within the requirements of the Superannuation Industry (Supervision) Act 1993. The Trustee employs a professional investment advisor, Frontier Advisors to assist it in meeting this responsibility.

The Trustee also appoints investment managers to manage the funds within each asset class. These managers, listed below, are required to report to the Trustee regularly and are continuously monitored.

BUSSQ investment managers

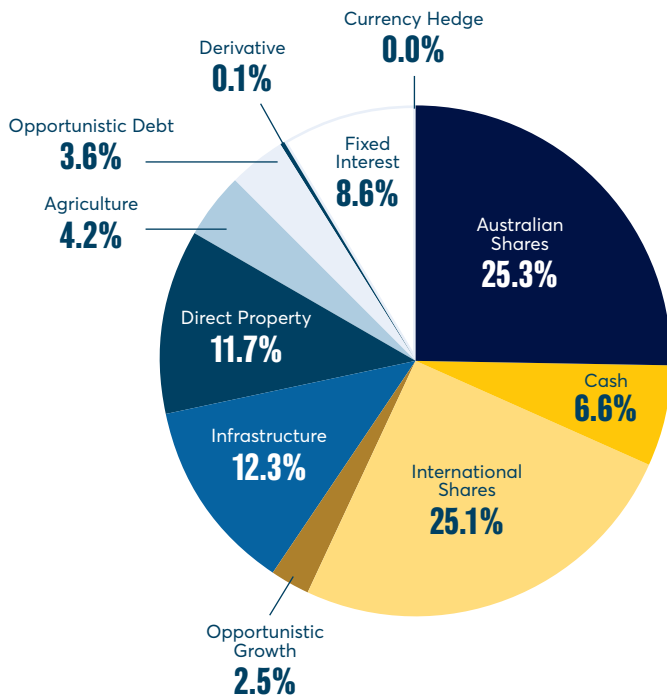
BUSSQ partners with a number of investment managers for each of our investment options.

Investment option	Investment manager	June 2020 %	Investment option	Investment manager	June 2020 %
Agriculture	Duxton Capital	0.8%	Opportunistic Growth	Gardior	0.0%
	Macquarie Pastoral Fund	3.0%		Industry Super Holdings Pty Ltd	0.1%
	Stafford International Timberland	0.4%		Newbury Equity Partners	0.1%
Australian Shares	Alphinity	5.4%		Oaktree	0.0%
	Ellerston	6.0%		P A Private	0.0%
	First Sentier	2.5%		QBLK	0.0%
	Hyperion	5.5%		RHO	0.0%
	IFM	6.0%		Siguler Guff	0.2%
International Shares	Acadian	0.4%		Skylight	0.0%
	AQR	2.1%		Stafford Private Equity	0.2%
	Lazard	2.6%		Wilshire	0.1%
	Morgan Stanley	7.9%		Wasatch	1.7%
	Neuberger Berman	0.7%	Opportunistic Debt	Barings	0.6%
	Orbis	4.6%		Hayfin	0.7%
	Platinum	1.6%		Intermediate Capital Group	0.2%
	Sands	5.3%		Man Glg	0.4%
Cash	Colonial First State	0.0%		Securis	0.9%
	Residual Cash	3.4%		Westbourne	0.9%
	Term Deposits	3.1%	Infrastructure	Energy Infrastructure Trust	2.5%
Direct Property	AMP Capital Investors	4.4%		Gardior	7.4%
	BUSSQ Property Trust	0.3%		IFM	2.4%
	Investa	2.0%		Macquarie	0.0%
	QIC	5.1%	Other - Derivative	Challenger	0.1%
Fixed Interest	IFM SLT	0.0%			
	Pimco	7.9%	Other - Currency Hedge	TGM	0.0%
	Term Deposits	0.7%			

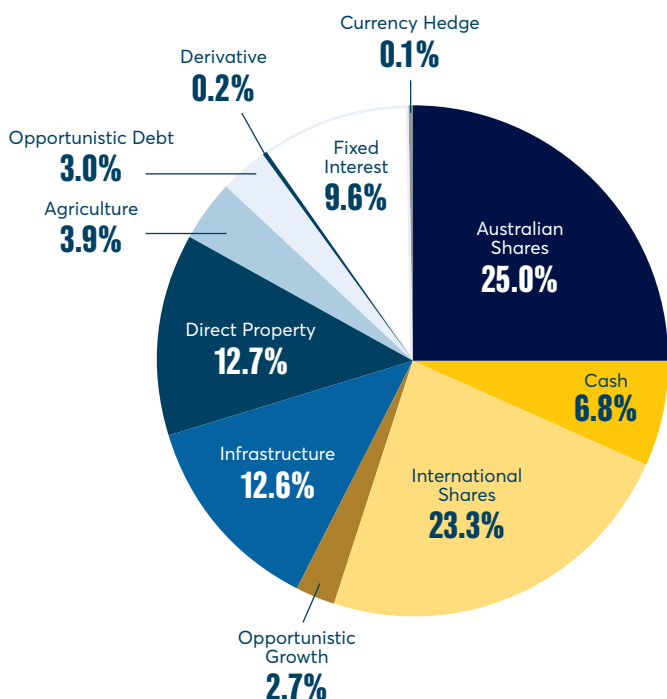
Asset breakdown

As at 30 June 2020 and 30 June 2019 the total assets of BUSSQ were invested as follows:

30 June 2020



30 June 2019



Other investment information

The BUSSQ Pooled Superannuation Trust (PST)

Most investments of BUSSQ are made via the BUSSQ PST. The Trustee of BUSSQ is also the Trustee of the BUSSQ PST. No other entities invest money in the BUSSQ PST.

Derivatives

The Trustee and BUSSQ's investment managers have the discretion to invest in derivative financial instruments from time to time. This is generally done to either hedge a particular risk or to immediately rebalance the investment portfolio in a quick and efficient manner.

The derivatives charge ratio represents the market value of the assets of the Fund (other than cash) that are subject to a charge in relation to a derivatives contract, as a percentage of the market value of all the assets of the Fund.

BUSSQ monitors the derivatives charge ratio and is required to disclose in the annual report if during the financial year the derivatives charge ratio exceeds 5%.

The derivatives charge ratio for the Fund exceeded 5% for all of the financial year ended 30 June 2020, to a maximum of 10.26% in March 2020, whilst the derivatives charge ratio on 30 June 2020 was 7.47%.

The use of derivatives is at the discretion of BUSSQ's Investment Committee in consultation with BUSSQ's investment advisor Frontier Advisors. The primary reason derivatives are used is to help protect the Fund from downside risk and market volatility. They are also utilised to rebalance portfolios back to an agreed asset allocation rather than physically transacting on the Fund's investments which may trigger Capital Gains Tax (CGT) events.

Reserves

The Trustee maintains the following reserves:

- Operational Risk Financial Requirement (ORFR) Reserve for the Fund
- ORFR for BUSSQ's Pooled Superannuation Trust (PST)
- General Reserve

The purpose of the Fund's ORFR Reserve is to address losses arising from operational risks within the Fund, if they occur. In 2019/2020, the Trustee's target ORFR Reserve for the Fund was 0.25%.

The Fund invests in the PST. The purpose of the PST's ORFR Reserve is to address losses arising from operational risks within the PST, if they occur. In 2019/2020 the Trustee's target ORFR Reserve for the PST was 0.1%.

The purpose of the General Reserve is to fund contingency expenses such as taxation adjustments and other calculation variances. In 2019/2020 the Trustee's target General Reserve was 0.15%.

The reserves are maintained from:

- any excess of investment earnings over returns credited to members' accounts, and
- any surplus of fees above the Fund's operating costs.

The ORFRs and General Reserve will be held in reserve accounts that are separately identifiable from member accounts and other reserves. The investment strategy will ensure that the funds will be unrestricted so that operational losses can be rectified in a timely manner. The investments will be held in cash or cash equivalents and can only be used to rectify a loss caused by an operational risk. The investment strategy will form part of the Fund's Investment Policy Statement which is reviewed annually.

The following tables summarise the movement in reserves over the past three years.

Fund – Operational Risk Financial Requirement Reserve

Balance as at 30 June

2020	\$13,142,204
2019	\$12,415,293
2018	\$11,913,018

PST - Operational Risk Financial Requirement Reserve

Balance as at 30 June

2020	\$5,182,335
2019	\$4,923,028
2018	\$4,743,168

General Reserve

Balance as at 30 June

2020	\$16,699,398
2019	\$12,307,911
2018	\$12,178,116

7. Financial statements

Abridged financial information

Ernst and Young has independently audited BUSSQ's financial accounts. The Trustee is satisfied that the audited abridged financial accounts summarised below represent a true and accurate record of BUSSQ's financial position.

Statement of financial position

Assets	30 June 2020 \$	30 June 2019 \$
Cash and cash equivalents	20,220,687	14,286,429
Receivables	7,338,227	6,073,375
Cash and short term deposits	44,527,581	36,337,678
Pooled Superannuation Trusts	4,964,482,253	5,017,757,089
Domestic Property	13,000,084	12,691,573
Property, plant and equipment	1,491,204	1,744,801
Intangible asset	241,199	285,099
Deferred tax assets	1,394,790	1,513,318
Total assets	5,052,696,025	5,090,689,362
Liabilities		
Payables	(4,784,603)	(5,264,837)
Income tax payable	(34,850,228)	(34,598,634)
Deferred tax liabilities	(12)	(70)
Total liabilities excluding member benefits	(39,634,843)	(39,863,541)
Net assets available for member benefits	5,013,061,182	5,050,825,821
Member benefits		
Allocated to members	(4,977,790,103)	(5,020,484,810)
Unallocated to members	(247,143)	(693,026)
Total member liabilities	(4,978,037,246)	(5,021,177,836)
Net assets	35,023,936	29,647,985
Equity		
Administration reserve	(21,881,733)	(17,231,433)
Operational risk reserve	(13,142,203)	(12,416,552)
Total equity	(35,023,936)	(29,647,985)

Income statement

Superannuation activities	30 June 2020 \$	30 June 2019 \$
Interest	471,947	690,160
Distributions from unit trusts	22,468	97,167
Changes in assets measured at fair value	127,151,749	242,795,973
Other investment income	9,013	4,932
Other income	401,993	12,155
Total superannuation activities income	128,057,170	243,600,387
Investment expenses	(52,688)	(67,551)
Administration expenses	(5,954,551)	(5,213,543)
Operating expenses	(16,087,846)	(14,482,513)
Anti-detriment expenses	-	(48,066)
Other expense	(4,327,126)	(5,896,885)
Total expenses	(26,422,211)	(25,708,558)
Net result from superannuation activities	101,634,959	217,891,829
Profit from operating activities	101,634,959	217,891,829
Less: Net benefits allocated to members' accounts	(103,400,530)	(225,260,147)
Profit from operating activities	(1,765,571)	(7,368,318)
Income tax expense/(benefit)	(7,141,522)	(8,180,985)
Profit after income tax	5,375,951	812,667

Statement of changes in member benefits

	30 June 2020 \$	30 June 2019 \$
Opening balance of member benefits	5,021,177,836	4,757,028,868
Contributions:		
Employer	275,370,405	281,781,315
Member	39,613,941	35,597,180
Transfer from other superannuation plans	142,562,586	118,460,708
Government co-contributions	295,784	264,381
Income tax on contributions	(42,464,441)	(43,299,641)
Net after tax contributions	415,378,275	392,803,943
Benefits to members/beneficiaries	(411,686,007)	(345,993,445)
Early Release Claims	(144,422,165)	-
Insurance premiums charged to members' accounts	(24,937,616)	(33,138,263)
Death and disability insurance benefits credited to members' accounts	19,126,393	25,216,586
Benefits allocated to members' accounts, comprising:		
Net investment income	110,226,060	231,958,376
Administration fees	(6,825,530)	(6,698,229)
Closing balance of member benefits	4,978,037,246	5,021,177,836

Related party transactions

Master Builders Queensland Insurance Services, which is owned by the Master Builders Queensland, arrange certain insurances on behalf of the Fund.

The Trustee of the Fund holds a 100% share of Skylight Financial Solutions Pty Ltd (Skylight), on behalf of the Fund.

The amounts outstanding are unsecured and will be settled in cash. Some salary expenses and associated on-costs were paid by the Fund on behalf of Skylight in the year and were not recharged.

8. Other information

BUSSQ subsidiary companies

BUSSQ provides advice via Skylight Financial Solutions ABN 46 076 835 848 AFSL 450 139, a fully owned entity of BUSS (Queensland) Pty Ltd ABN 15 065 081 281. Advice is provided to BUSSQ members in relation to their superannuation needs. If this advice is limited to contributions, insurance or investment choice, advice is provided at no extra cost as the cost for this advice is included in the Fund's administration fee. Any advice outside of this scope is provided to both members and non-members on a fee for service basis.

BUSS(Q) Properties Pty Ltd trading as BUSSQ Property Trust was set up in October 2011. BUSS(Queensland) Pty Ltd is the sole investor in BUSSQ Properties Pty Ltd. The BUSSQ Property Trust was set up as an investment vehicle to purchase the office building at 299 Coronation Drive, Milton. The objectives are that this is a successful investment with positive returns to BUSSQ members, and it is a tenancy for the BUSSQ Fund Office and Skylight Financial Solutions.

Salary reviews

In response to the impact of the Coronavirus pandemic the Board of the Trustee and Executives decided not to increase remuneration for themselves or employees at this year's remuneration review process in August, deferring a review until later in the year.

Commissions

No commissions are payable by BUSSQ to any financial planner for advice to use any product in the BUSSQ portfolio.

Fees and other costs

BUSSQ's Product Disclosure Statements (PDS) give full explanations of all fees and other costs that you may be charged. Please be sure to read the PDS applicable to your membership. Current PDSs are available on our website at bussq.com.au or we can mail one to you at your request. Fees and costs may be directly deducted from your account, from the returns on your investment or from the Fund assets as a whole. Taxes and insurance costs are also set out in the PDS. BUSSQ is run as a profit for members fund which means that all profits are returned to members. Any future fee increase will only be required to cover the costs of running the Fund.

Indirect Cost Ratio

The indirect cost ratio applicable to each of BUSSQ's investment options for the year ending 30 June 2020 are as follows (these costs include GST attributable to investment costs).

The indirect cost ratio is deducted before unit prices are declared. Investment earnings applied to members' accounts are net of other management costs. For further details, please refer to the relevant BUSSQ Product Disclosure Statement (PDS).

Asset class	Super	Income account
Pre-mixed		
Balanced Growth	1.03%	1.01%
Defensive	0.79%	0.80%
High Growth	1.05%	1.00%
Single asset class		
Cash	0.31%	0.31%
Diversified Fixed Interest	0.76%	0.76%
Australian Shares	0.66%	0.66%
Australian Shares (Small Companies)	0.85%	0.85%
All Shares	0.84%	0.85%
International Shares	1.02%	1.02%
International Shares (Emerging Markets)	0.97%	0.97%

The indirect cost ratio is an estimate based on the investment related costs (including performance related fees payable to external investment managers where applicable) incurred for the 12 months ended 30 June 2020 and the trustee related costs as at 30 June 2020.

Other direct charges against members' accounts

Contributions tax

Employer contributions and voluntary contributions for which members claim a tax deduction are taxed at 15%. This tax is deducted from members' accounts. When the Fund calculates the overall contributions tax to pay to the ATO, administration fees and insurance premiums are claimed as a deduction.

The benefit of this is passed on to all members when setting the administration and insurance deductions.

Risk management framework

To act in the best interests of our members, BUSSQ has in place a Board approved risk management framework. The Board is ultimately responsible for the management of risk, but has delegated oversight to the Risk Management Committee. BUSSQ complies with the key legislative requirements regarding risk management and in addition adopts the international standard (ISO 31000).

A Board approved Risk Appetite Statement is in place to monitor the acceptable risk taken to achieve BUSSQ's objectives.

Additionally, BUSSQ ensures compliance with the Superannuation Prudential Standard 220 with the implementation of internal and external audit procedures. Board approved auditors declare their independence to ensure the integrity of auditing during the financial reporting process.

Cyber security

This year in a joint process with our IT service providers the Fund undertook multiple security strengthening procedures to strengthen information security controls and protect members' data. This put BUSSQ in a good position as we saw cyber activity increase during the Coronavirus pandemic when people, including our Fund and administrator employees, were working remotely from their homes instead of within their usual office environment.

Insurance in Superannuation Voluntary Code of Practice

BUSSQ supports the Insurance in Superannuation Voluntary Code of Practice (Code) generally and will adopt all elements that are in the best interests of our members and consistent with our other legal duties by 30 June 2021.

During the year, we implemented a number of aspects of the Code. We took steps to improve member education on insurance in superannuation by adding to the BUSSQ website our insurance philosophy, insurance strategy and a key facts sheet as well as specific information on how to make an insurance complaint, how to make a claim, and how to cancel cover and the consequences of cancelling. We also included more insurance information in Annual Statements and other correspondence with members, in line with the Code's standards.

Conflict of interest management

In line with Superannuation Prudential Standard 521, BUSSQ has in place a framework to identify, avoid and manage conflicts of interest and duty.

AML/CTF

BUSS(Queensland) Pty Ltd is a reporting entity under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 as it provides designated services under the Act.

BUSS(Queensland) Pty Ltd is enrolled with the Australian Transaction Reports and Analysis Centre ("AUSTRAC"), the governing body relating to AML/CTF and complies with all current legislation.

Policies

Arrears policy

The Fund takes its responsibility to ensure that members receive their legislated or Enterprise Bargaining Agreement (EBA) entitlements very seriously. The Fund uses a process of reminder communications and telephone calls to follow up employers who have missed contributions. If contributions remain unpaid, the Fund refers the matter to either the relevant union where an EBA is in place, or to you, so that you can make a complaint to the Australian Taxation Office. The Fund will also take legal action against employers where applicable. However, the Fund takes great care to protect members' personal data in these processes. The Fund also has a service to assist members to follow up unpaid superannuation. Please call the Fund office on 1800 856 722 if you require assistance.

Privacy policy

BUSSQ's privacy policy is available at bussq.com.au or call us and we'll send you a copy.

Trust deed

The Trust Deed is a legal document that sets out how the Fund is to be operated. The Trust Deed must also operate within the superannuation legislation.

More information

As well as this Annual Report, a range of information about BUSSQ is available to you including your Annual Statement, the BUSSQ Product Disclosure Statements (PDS), the Trust Deed, BUSSQ's group life insurance policy and the latest audited BUSSQ Accounts and Auditor's Report.

If you or your beneficiaries would like a copy of these documents, or if you need more information about your benefits, BUSSQ will be pleased to help.

9. Financial Services Guide

Joint Financial Services Guide – BUSSQ Building Super, Skylight Financial Solutions and Link Advice

Issued 20 July 2020

What you should know about this guide

This Joint Financial Services Guide (FSG) has been prepared, authorised and issued by BUSSQ(Queensland) Pty Ltd (ABN 15 065 081 281, AFSL 237860) as Trustee for BUSSQ (ABN 85 571 332 201) (the Trustee), Skylight Financial Solutions Pty Ltd (ABN 46 076 835 848, AFSL 450139) (Skylight) and by Link Advice Pty Ltd (ABN 36 105 811 836, AFSL 258145)(Link Advice). The distribution of this FSG by the Trustee, Skylight and Link Advice has been authorised by all parties.

The Trustee has contracted with Australian Administration Services Pty Limited (ABN 62 003 429 114) (AAS) to provide member and employer administration services in relation to BUSSQ. Link Advice is a wholly owned subsidiary of AAS and authorises certain AAS employees to provide general financial product advice to BUSSQ members through the member contact centre. The purpose of this FSG is to help you decide whether to use the services offered by the Trustee, Skylight and/or Link Advice. This FSG will provide you with information about the services provided by the Trustee, Skylight and Link Advice, and how their respective representatives are remunerated in relation to the financial services offered and how complaints against BUSSQ, Skylight and Link Advice are dealt with.

The Trustee is authorised to:

1. Provide financial product advice for the following classes of financial products:
 - i Superannuation, and
2. Deal in a financial product by:
 - i Issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products:
 - a) deposit and payment products limited to non-cash payments products, and
 - b) superannuation.

The financial services provided by BUSSQ may include personal or general advice on:

- Rolling over superannuation benefits
- Salary sacrifice
- Voluntary contributions
- Member investment choice
- Insurance benefits
- Account based pension

- Spouse contributions
- Superannuation legislation
- Tax on superannuation, and
- Other superannuation issues.

Skylight is authorised to provide financial advice and deal on your behalf in relation to:

- Deposit and Payment Products - Basic Deposit
- Deposit Products – other than Basic Deposit Products
- Deposit and Payment Products - Non-cash Payment
- Government Debentures, Stocks or Bonds
- Investment Life Insurance Products
- Life Risk Insurance Products
- Managed Investment Schemes, including Investor Directed Portfolio Service
- Retirement Savings Account Products
- Securities
- Superannuation

Skylight does not provide advice in relation to:

- Stock selection
- Direct property
- Share placement
- General insurance products

Link Advice and its representatives are authorised (among other things) to deal in and to provide general financial product advice in relation to superannuation products.

Before making any decisions to acquire a BUSSQ or other financial product, you should read the relevant Product Disclosure Statement (PDS) and/or obtain professional financial advice. The PDS provides information about the benefits, including fees and risks, associated with that product.

What is general advice?

General advice is advice that does not take into account your individual objectives, financial situation or needs and as such the advice may not be appropriate for your circumstances. You should assess your own financial needs and/or obtain advice from a qualified professional before acting on general advice. General advice is provided by the Trustee, Skylight and Link Advice. General advice regarding your BUSSQ membership is included as part of your BUSSQ administration fee. There is no additional cost to you for this service.

What is personal advice?

Personal advice is advice that does take into account your individual objectives, financial situation or needs. Skylight provides personal financial advice on behalf of the Trustee to BUSSQ members, and also to other clients. Whenever Skylight provides you with Personal advice, a Statement of Advice (SOA), also known as a financial plan, will be provided.

The Trustee or Skylight will always tell you about:

- Any fees that will be paid in dollar amounts, in relation to a product or strategy that is recommended.
- Any limitations on the advice they can give you

When a representative of the Trustee or Skylight recommends a particular financial product, a PDS will always be provided to allow you to make an informed decision.

What is the cost?

Link Advice does not receive specific remuneration relating to the services offered that have been outlined in this guide. AAS is remunerated by the Trustee for the contracted administration services that it provides to the BUSSQ fund, as a whole. The Trustee levies fees and charges on individual members to cover the operating costs of the fund (including administration costs). For information relating to the administration fees levied on members, please refer to the relevant Product Disclosure Statement (PDS). Link Advice and AAS do not pay or receive commissions. In some circumstances, Link Advice representatives may receive performance-based bonuses (paid by Link Group). These bonuses are discretionary and dependent on the achievement of predetermined compliance and service standards and business objectives.

Where required by legislation, the Trustee provides a fee for service approach when providing personal financial advice about superannuation matters. This advice is provided by Skylight. This ensures you only pay for the advice that you need.

The cost of Skylight providing straightforward personal advice is included in the BUSSQ administration fees. There are no additional fees or charges for this service. As BUSSQ is an industry super fund, all profits go to the members and not to shareholders. Straightforward personal advice is single issue advice such as:

- Insurance
- Contributions
- Investment Choice

Where advice other than general advice or straightforward advice as outlined above is provided, the cost of this advice will be at an hourly rate of \$220 including GST. Skylight will discuss and agree with you the cost of the advice before it is provided. All representatives are salaried employees and are not paid any commissions for providing services to you.

Neither the Trustee or Skylight Directors or our representatives receive hard or soft dollar bonuses as a direct result of providing advice to you. Directors of the Trustee and Skylight representatives do not receive commissions or bonuses as a result of the services offered to you by our representatives. Any surplus generated from fees or charges is retained to be used for the benefit of BUSSQ members. The Trustee does not pay any commissions to any third party who may refer you to BUSSQ.

What compensation arrangements are in place?

The Trustee, Skylight and Link Advice each have in place adequate arrangements, including Professional Indemnity insurance, to compensate clients, fund members or their beneficiaries for loss or damage suffered as a result of breaches of any relevant legislative obligations by the Trustee, Skylight, Link Advice or their respective representatives/employees including claims in relation to the conduct of representatives/employees who no longer work for the licensees (but who did at the time of the relevant conduct). These arrangements satisfy the requirements of section 912B of the Corporations Act 2001 (Cth).

How is my information protected?

BUSSQ respects the privacy of its members. The Trustee and Skylight only collect information that is necessary to manage your account, provide financial advice, meet any legislative requirements and provide you with opportunities available to you as a member or client, or as otherwise permitted by law. We may share this information between the Trustee and Skylight as related companies. The BUSSQ Privacy Statement is available at bussq.com.au and the Skylight Privacy Statement is available at skylight.com.au.

Link Advice and AAS are subject to the Link Group Privacy Policy, a copy of which is available at linkgroup.com/docs/Link_Group_Privacy_Policy.pdf

What relationships or associations may influence the advice given to me?

BUSSQ owns Skylight Financial Solutions Pty Ltd.

Link Advice representatives may be members of BUSSQ. BUSSQ and Skylight Directors and representatives may be members of the BUSSQ Fund. BUSSQ and Skylight Directors may hold directorships in funds in which BUSSQ invests.

Master Builders Queensland Insurance Services, which is owned by Master Builders Queensland, arrange certain insurances on behalf of the Trustee. BUSSQ uses OnePath (a company of Zurich) for the provision of Group Life Cover.

BUSSQ makes available a Clearing House to its employers and utilises SCH Online. SCH Online is a non-cash payment product issued by Pacific Custodians Pty Limited (ABN 66 009 682 866, AFSL 295142)(Pacific Custodians) and operated by

The Superannuation Clearing House Pty Limited (ABN 15 086 576 721)(TSCH).

Pacific Custodians, TSCH, Link Advice and AAS are all related bodies corporate and members of the Link Group of companies. For more information about the Link Group, please visit: linkgroup.com. BUSSQ has no association or relationship with any other product issuer and does not receive any benefit from any relationship that could influence the providing of advice.

What if I am not happy with the financial services provided?

If you are not happy with any aspect of your contact with BUSSQ and wish to make a complaint, you should contact the Enquiries and Complaints Officer.

The Enquiries and Complaints Officer contact details are:

Phone 1800 692 877
Email super@bussq.com.au
Mail Enquiries and Complaints Officer
BUSSQ
GPO Box 2775
Brisbane QLD 4001

Insurance related complaints

If your complaint relates to insurance, the Enquiries and Complaints Officer will investigate your complaint and give you updates at least every 20 business days (unless we agree a different timetable with you).

We will write to inform you of our decision including: the reasons for the decision; your ability to request documents relied on to decide your complaint; and your right to take your complaint to the Australian Financial Complaints Authority (AFCA) within 45 calendar days of receiving your complaint.

Sometimes we will need more time to investigate and respond to your complaint. We will let you know if we need more time and our revised expected timeframe, which will not exceed 90 calendar days. If we do not provide a response within the 90 days, we will give you written reasons for the delay before the end of the 90 days. If you are not satisfied with the decision we make on your complaint or if we do not resolve your complaint within the 90 days, you may take your complaint to AFCA.

Other complaints

For all other complaints, the Enquiries and Complaints Officer will investigate your complaint on your behalf and write to inform you of the result of that investigation within 90 calendar days. If we do not respond within 90 days or you are not satisfied with the way your complaint is handled, or with the resolution, you may contact AFCA.

About AFCA

AFCA provides a fair and independent financial services complaint resolution service that is free to consumers. AFCA may be able to help resolve your complaints, but only after you have made a complaint to BUSSQ.

AFCA contact details are:

Phone 1800 931 678 (free call)
Email info@afca.org.au
Website www.afca.org.au
Mail Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Who is responsible for the advice given to me?

Link Advice is responsible for advice given to you by AAS representatives, BUSS (Queensland) Pty Ltd is responsible for the advice given to you by BUSSQ, and Skylight Financial Solutions Pty Ltd is responsible for advice given to you by Skylight. You may be provided with written material or communications including emails, which may contain general advice and the entity that prepared that written material is responsible for that advice. All contact with the BUSSQ telephone contact centre will be with an AAS representative. If you are referred for personal advice on that call this will be provided by a Skylight representative, on behalf of BUSSQ. The representative assisting you is a salaried employee who is authorised to give you general or personal advice. The representative will inform you under which category they operate in terms of their advice status.

Who is BUSSQ?

BUSSQ is a profit for members' industry superannuation fund. BUSS (Queensland) Pty Ltd is the Trustee of the Fund. The Fund is a regulated fund under Commonwealth legislation. As a result, the Fund is able to obtain taxation advantages and can accept Superannuation Guarantee (SG) Contributions. The Trustee holds an Australian Financial Services Licence which allows the Fund to provide superannuation advice to retail and wholesale clients.

The Trustee offers these products:

- An authorised MySuper product
- A superannuation accumulation fund for choice members
- A Child Income account
- A Transition to Retirement Income account
- An account based Income account
- A Term Allocated Pension.

BUSSQ Staff provide general advice on the above mentioned products. Personal Financial Advice to BUSSQ members is provided by Skylight Financial Solutions.

Who can join BUSSQ?

Anyone can join BUSSQ. This includes on site and off site workers, clerical workers, apprentices, professionals, spouses, family and friends, and working directors. You don't have to be connected to the building industry to join the Fund.

About Skylight's Financial Planners

Our Planners and staff are salaried employees who are authorised to give you advice within the terms of our AFSL. Not all Skylight Financial Solutions representatives are authorised to provide advice in all of these products or services. They will advise you of what they are eligible to give advice on at the time.

Our employees and representatives receive a salary. They do not receive personal payments (hard or soft dollars) or commissions for the recommendation or sale of any products.

Skylight Financial Solutions does not pay any commissions to any third party whatsoever.

How do I contact BUSSQ?

Phone 1800 692 877

Email super@bussq.com.au

Website bussq.com.au

Mail BUSSQ
PO Box 1526
Milton QLD 4064

Visit BUSSQ
299 Coronation Drive
Milton QLD 4064

How do I contact Skylight?

Phone 1800 SKYLIGHT (1800 759 544)

Email advice@skylight.com.au

Website skylight.com.au

Mail SKYLIGHT
PO Box 1369
Milton QLD 4064

Visit SKYLIGHT
299 Coronation Drive
Milton QLD 4064

How do I contact AAS?

Phone 02 8571 6000

Email info@linkgroup.com

Website linkgroup.com

Visit Rhodes Corporate Park
1A Homebush Bay Drive
Rhodes NSW 2138

How do I contact Link Advice?

Phone 1300 734 007

Email advice@linkadvice.com.au

Website linkadvice.com.au

Mail PO Box 240
Parramatta NSW 2124

Visit 1A Homebush Bay Drive
Rhodes NSW 2138

BUSSQ Building Super

BUSSQ House, Ground Floor,
299 Coronation Drive, Milton QLD 4064

Postal Address

GPO Box 2775, Brisbane, QLD 4001

Fund

Building Unions Superannuation Scheme
(Queensland) (BUSSQ)

ABN 85 571 332 201

RSE L0002158

Registration number R1055870

SFN 268 338 948

Trustee

BUSS(Queensland) Pty Ltd

ABN 15 065 081 281

AFSL 237860



For more information call 1800 692 877,
email super@bussq.com.au or visit bussq.com.au

