



Your Future, Your Super Review

**Submission by TWUSUPER to Treasury for consideration
as part its review of Your Future, Your Super.**

October 2022

1. Executive Summary

TWUSUPER welcomes transparency, accountability, and good faith measures by governments to improve superannuation outcomes for our members but believes proposals should reflect real world behaviour and be built for the majority.

Transport is a dangerous industry for the workers employed in it, carrying much greater risk for illness, injury, and death than the average Australian workplace or occupation.

TWUSUPER is a profit-to-member Industry Super Fund with over \$6 billion in funds under management and 100,000 members across the transport, freight, and logistics industry. The Fund was created for and by the transport industry, is completely aligned with the interests of transport workers, and provides superannuation and associated products tailored to the unique conditions in transport.

TWUSUPER therefore welcomes the opportunity to comment on Treasury's review of 2021's Your Future, Your Super changes and this submission primarily focuses on the impacts of 'stapling' on workers in hazardous occupations. Most TWUSUPER members work in occupations deemed hazardous by insurers.

Prior to the introduction of 'stapling' workers were able to exercise collective choice to effectively protect themselves and their workmates by selecting a fund like TWUSUPER for default status in enterprise agreements – secure in the knowledge that less engaged workmates would be provided with fit-for-purpose superannuation and attached insurance, tailored to their industry.

This is no longer the case. The 'stapling' effects of Your Future, Your Super mean that many workers joining transport and other dangerous industries such as mining, agriculture, and construction are unlikely to have the benefits of appropriate, tailored insurance that reflects the risks and hazards of their occupations.

Engagement around superannuation remains a challenge and this is where regulation should account for real world realities. Research conducted by TWUSUPER as recently as 2020 found that almost half of transport workers were not aware that some superannuation insurance policies do not cover transport jobs.

It is therefore not clear why the importance of maintaining insurance coverage for workers in dangerous occupations that was acknowledged by the then government with the 'dangerous occupations exemption' included as part of Putting Members' Interests First (PMIF) changes legislated in 2019 was not also acknowledged by including similar safeguard provisions with the introduction of 'stapling' as part of Your Future, Your Super in 2021.

PMIF's dangerous occupations exemption allows TWUSUPER to switch-on default insurance for younger member or those with low account balances, but without it 9% of member death claims and 31% of total and permanent disability claims (TPD) by TWUSUPER would not have been covered.

TWUSUPER recommends the government amends stapling to exclude hazardous occupations, consistent with the Putting Members Interests First (PMIF) provisions first legislated in 2019 as it would result in improved outcomes for workers in those hazardous occupations.

In relation to the Performance Test, the YourSuper comparison tool, and Best Financial Interests Duty TWUSUPER also has substantial concerns that the effective operation of those measures is sub-optimal, can result in member detriment, and that accordingly revisions should also be made.

TWUSUPER notes and supports the submissions by Industry Super Australia (ISA), and the Australian Institute of Superannuation Trustees (AIST).

TWUSUPER trusts that this submission will provide Treasury and relevant stakeholders with adequate facts and context to understand the needs of TWUSUPER members and accordingly TWUSUPER's approach to insurance, position on the proposals presented in the Consultation Paper, and the need to ensure all workers have superannuation fit for purpose.

2. About TWUSUPER

TWUSUPER was created for and by the transport industry and is completely aligned with the interests of transport workers, with services tailored to the unique conditions of the transport and logistics industry.

Established in 1984 to help deliver a better future for workers in transport, TWUSUPER is a profit-to-member Industry Super Fund with over \$6 billion in funds under management and 100,000 members across the transport, freight, and logistics industry which includes but is not limited to trucking, cash-in-transit, refueling, oil and gas, buses, couriers, waste and recycling, aviation, and logistics sectors.

TWUSUPER is proud to be an industry fund with strong governance, risk management, and accountability, and a much-lauded model of cooperative and representative decision making that places members' best financial interests at the centre of everything the Fund does.

Transport is a dangerous industry for the workers employed in it and carries much greater risk of illness, injury, and death than the average Australian workplace or occupation. Its contribution to the economy is significant and transport workers and their employers have literally kept Australia moving through the COVID-19 pandemic and remain key to Australia's success.

Whether its ensuring our supermarkets are stocked, parcels are delivered to our homes, or that essential workers get the goods and equipment they need to keep our communities as safe and healthy as possible, transport workers are doing jobs that are often difficult and hazardous in a key industry.

There's no working from home for a truck driver, flight attendant, waste worker, parcel courier, baggage handler, or food delivery rider.

With close alignment with industry and engagement with its members TWUSUPER has come to have a particular understanding of the needs of transport workers.

Led by the Fund's trustee directors on the Board and with the support of Fund staff, TWUSUPER has developed and implemented a set of investment and insurance products (and service delivery model) tailored to members in the transport industry, with members' best financial interests placed first and foremost.

TWUSUPER's insurance products do not contain occupational exclusions of any kind, reflecting the Fund's close knowledge of the transport and logistics sector and member needs and best interests.

TWUSUPER is focused on continuously improving outcomes for its members, has a record of strong, long-term returns and over the past three years has reduced investment costs and substantially cut fees charged to members, including by around 20% for the Balanced MySuper option.

TWUSUPER has now twice passed the performance test introduced in Your Future, Your Super.

3. TWUSUPER members work in hazardous occupations

TWUSUPER is proud to be the Industry Super Fund for the people who keep Australia moving and through close industry alignment and member engagement understand that those people are largely employed in an industry with occupations deemed hazardous and dangerous.

Members of TWUSUPER come from across the transport and logistics industry and include a diverse range of transport and transport-related occupations. Many of these occupations carry higher than average risks for workers, in demanding and challenging environments that are often unique to transport.

- Road and general freight
- Removalists
- Refrigerated warehousing
- Aviation and airlines
- Bus and public transport
- Couriers and delivery drivers
- On-demand sector (rideshare and food delivery)
- Construction, Oil, and Gas
- Ports
- Cash in transit
- Waste and recycling

Working in transport is one of the most dangerous jobs an Australian can have.

SafeWork Australia has stated that in 2019 the Transport, Postal, and Warehousing industry had the second highest industry fatality rate in Australia with 8.7 fatalities per 100,000 workers. Further, the same report looked at occupation level fatalities and placed Road and Rail occupations at 15.2 fatalities per 100,000.

Through close alignment with industry TWUSUPER understands firsthand that transport is a dangerous industry for the people working in it, and how the associated risks can impact their future retirement outcomes and so the Fund has tailored our member products and services accordingly.

- 28% of all people killed at work in Australia were performing work in the transport, postal, and warehousing industries¹².
- According to Safe Work Australia 92% of transport fatalities in 2014-2015 involved road freight³, with heavy vehicle road crashes contributing to more than 564 people killed in those crashes between April 2016 and June 2019⁴.
- Truck drivers are 13 times more likely to die at work than ordinary Australian workers⁵.

Due to the nature of the role many workers within transport and logistics also suffer from musculoskeletal and coronary conditions as a result of the physical nature of their roles and from long hours of sitting in the same position.

¹ Safe Work Australia (2019) Work Related Traumatic Injury Fatalities, Australia 2019, 20 November 2020

² Safe Work Australia (2017) Work Related Traumatic Injury Fatalities, Australia 2017, 21 December 2018.

³ Safe Work Australia, retrieved 16/1/2020 www.safeworkaustralia.gov.au/doc/infographic-fatalities-and-injuries-road-transport-industry

⁴ See Fatal Heavy Vehicle Crashes Australia – Quarterly Bulletins, Department of Infrastructure, Regional Development, & Cities; June 2016-June 2019.

⁵ Xia, T., Iles, R., Newnam, S., Lubman, D., & Collie, A. Driving Health Report No 2: Work-related injury and disease in Australian truck drivers. Insurance Work and Health Group, Faculty of Medicine Nursing and Health Sciences, Monash University (2018) 5.

Our nation's roads are many transport workers' workplace. In addition to physical harm transport workers (and particularly drivers) who often work in solitary roles are also prone to mental health issues often caused by being the first responders to serious accidents, time away from family and friends, and working extended shifts around the clock.

It has been TWUSUPER's experience that mental health issues caused or compounded by issues such as family breakdown, drug problems, gambling, and other issues are often dealt with at work and without appropriate supports. Due to the often 'blokey' nature of the transport and logistics industry people tend not to seek help as they should.

In the road transport sector alone a 2018 study by Monash University (based on compensation claims over a twelve year period) found that truck drivers are 13 times more likely to die at work than any other profession while the long hours, social isolation, time pressure and lack of job control also make it one of the unhealthiest jobs⁶ in Australia.

These issues are demonstrated in the Fund's claims statistics for the year to 30 June 2021 where TWUSUPER's top five TPD claims were categorised as follows:

- Musculoskeletal (54.4%)
- Mental health (8.2%)
- Spinal Injuries (8.2%)
- Cancer (4.7%)
- Heart Conditions (4.4%)

These health issues tend to manifest later in life and will mean that many people have to retire before they are eligible for benefits such as the aged pension.

Having access to well-tailored and affordable insurance which can be increased or decreased within superannuation to suit individual needs with an understanding that claims are covered is vital, as is the need to have adequate amounts of superannuation to fill the potential gap between finishing up work years before the aged pension can be claimed.

TWUSUPER is the industry superannuation fund specifically tailored to the needs, demographics, and occupations of those workers across Australia's transport and logistics industry.

This is why the Fund has been selected as the default fund by transport employers, workers, and their representatives across hundreds of collective enterprise agreements.

⁶ Xia, T., Iles, R., Newnam, S., Lubman, D., & Collie, A. Driving Health Report No 2: Work-related injury and disease in Australian truck drivers. Insurance Work and Health Group, Faculty of Medicine Nursing and Health Sciences, Monash University (2018) 5.

4. TWUSUPER's insurance doesn't contain occupational exclusions and is tailored to members' needs

As the industry superannuation fund for people working in transport, logistics, and associated industries TWUSUPER is acutely aware of the particular requirements of workers in the sector, and the risk profiles their roles carry. The default insurance provided as part of their super account is often the only insurance coverage our members and their families have.

Adequate insurance cover is important for family security and peace of mind for many Australians, with a large proportion of Australians gaining life, TPD, and income protection cover through their superannuation at a cheaper rate due to the scale benefits that group insurance arrangements can provide.

Led by the Fund's trustee directors on the Board and with the support of Fund staff TWUSUPER has developed and implemented a set of insurance and investment products tailored to members in the transport industry, with members' best financial interests placed first and foremost.

TWUSUPER, with the support of its Insurer understands that due to the risk profile of the industry, many of its members would not be able to obtain equivalent insurance cover outside TWUSUPER at an affordable cost. With this understanding, TWUSUPER does not have occupation exclusions or loadings.

This means no member of TWUSUPER will have an application for additional insurance or a claim declined because of their occupation. Unfortunately, under the 'stapling' changes contained in the *Your Future, Your Super* package workers new to transport are likely to be stapled to a Fund that cannot provide the same protection – unless and until a legislated ban on occupational exclusions is applied across all superannuation products, not just MySuper defaults.

Often the insurance that transport workers are able to access via their accounts with TWUSUPER is the only insurance available to them, as many key transport industry occupations are what is termed by insurance companies as 'excluded occupations' which renders those workers uninsurable.

Many superannuation and general insurance options that might be available to transport workers outside of their TWUSUPER accounts may also be restrictive in the events and types of claims covered, such as suicide. Not surprising perhaps but tragically, TWUSUPER has many suicide claims paid every year under its group insurance arrangements.

Occupations commonly excluded by insurance offerings but which TWUSUPER does provide coverage for (and has members employed in) often include:

- Aircraft refuellers
- Armoured car drivers
- Bus & coach drivers (long distance)
- Cartage Contractors (long distance)
- Couriers
- Dairy workers
- Dangerous goods drivers
- Furniture removalists and drivers
- Taxi drivers
- Flight attendants
- Pilots
- Oil, Gas, & Petrol tanker drivers (long distance)

TWUSUPER is supportive of stronger disclosure and improved transparency for members but improved disclosure requirements alone will not address the risk of detriment to members arising from occupational exclusions, which has been exacerbated by the introduction of stapling.

5. 'Stapling' has exacerbated the risk of detriment to workers in dangerous occupations such as transport, mining, construction, and agriculture

From the 1980s the ability of transport workers to exercise collective choice through enterprise agreements mechanisms has been a key avenue for those workers to ensure their superannuation and attached insurance is tailored to their collective needs, and ensure their interests are protected against practices and product offerings of the kind the Financial Services Royal Commission demonstrated could cause them great detriment.

This is a key reason why TWUSUPER has been selected as the default fund by transport employers, workers, and their representatives across hundreds of collective enterprise agreements.

The 'default' provisions in agreements have traditionally provided a measure of security to both employers and workers that new employees joining transport employers will have fit-for-purpose superannuation and attached insurance, tailored to their industry occupation even where they neglect to make an active choice.

Unfortunately these default provisions and the worker protections they provide has now effectively superseded by 'stapling' provisions in the *Your Future, Your Super* package.

The 'stapling' effects of the *Your Future Your Super* package that were legislated in June 2021 and commenced from 1 November 2021 now means that many workers are joining the transport industry without the benefits of appropriate, tailored insurance that reflects the risks and dangers of many transport jobs – which can include roles as varied as truck drivers, flight attendants, pilots, couriers, and taxi drivers to name just a few.

Trustees of industry superannuation funds currently have a legislated duty to ensure that the best financial interests of their fund members are paramount in their decision making. Part of the exercise of this duty within TWUSUPER is to source tailored insurance products that reflect the potential insurance needs of their members, based on the particular risks generated within the industries in which they work.

Generic retail and general offer funds often do not do this.

Many workers start their working lives and therefore open their first superannuation account while working in casual and part-time jobs in industries such as retail and hospitality or more generalist roles.

While the insurance offering for members in funds such as those oriented at retail or hospitality workers could be expected to be appropriate to the risks of that work, it would be unlikely to remain appropriate when that worker then moves into a role in the transport or similarly dangerous industries such as mining, construction, and agriculture.

Many insurance offerings from generic super funds may limit or exclude high risk occupations, or apply inappropriate and harsh clauses such as Activities of Daily Living (ADL) requirements which vastly limits eligibility to claim.

Unfortunately, engagement around superannuation remains a challenge and the vast majority of fund members don't adequately understand detail around insurance, including the existence or awareness of occupational exclusions. Research conducted by TWUSUPER as recently as 2020 showed that almost half of transport workers were not aware that some superannuation insurance policies do not cover transport jobs.

6. 'Stapling' is inconsistent with PMIF

In September 2019 the then federal Government introduced a suite of changes as the *Putting Members' Interests First* (PMIF) package, with particular focus on default insurance in superannuation.

These changes came into effect on 1 April 2020, and required funds to:

- Remove default cover for any member who has an account balance less than \$6,000 and has not 'opted in' to retain insurance cover;
- Not start default cover until a member is aged 25; and
- Not start cover until a member has at least \$6,000 in their account.
- Provided a dangerous occupation exemption to these measures⁷.

Analysis of TWUSUPER's insurance claims data for 2020-2021 shows that without that exemption introduced with PMIF 9% of TWUSUPER's Death claims would not have included an insured value, and a staggering 31% of Total and Permanent Disability (TPD) claims would not have had an insured value.

This means that without the exemption provision TWUSUPER would have switched off default insurance coverage for those members, leaving them uninsured because of their age (under 25) or low account balance (under \$6,000).

This is proof that the PMIF exemption is providing demonstrable benefit to members of TWUSUPER, but similarly provides an insight into the detrimental impacts of stapling on workers moving into hazardous and dangerous occupations.

It remains unclear to TWUSUPER why the Your Future Your Super package did not make the same acknowledgement of the importance of maintaining tailored coverage for hazardous and dangerous occupations, when the benefits are so obvious.

It is important to understand the process required to gain the PMIF exemption, which in part explains why it's application is not widespread and how stapling causes detriment.

The exemption provides that where the Trustee knows the member is in a dangerous occupation (as certified by a fellow of the Institute of Actuaries as being an occupation in the top quintile based on the last five years of death and disablement data), and the Trustee applies to adopt this exemption cover, members can continue to be covered on an opt-out basis.

TWUSUPER consulted its Actuary to determine the feasibility and likelihood of the application of the exemption in relation to its membership and analysis of the occupations of TWUSUPER members indicates that the vast majority (95%) are in manual occupations.

Occupation data collected from the Fund's largest employers provides evidence that the majority of the manual occupations are dangerous occupations and covered by the dangerous occupation exemption.

The exemption means that the majority of members may continue to be covered by default insurance on an opt out basis and TWUSUPER will be unique in its ability to continue to provide the financial protection to its members and their families in the event of a death or serious illness or injury that prevents the member returning to work.

⁷ Superannuation Industry (Supervision) Act ("SIS Act") s68AAF.

This acknowledgement was a feature of the PMIF changes and 'dangerous occupations exemption' that only took effect in 2020 as part of the PMIF changes legislated in 2019.

The Dangerous Occupation Exemptions allows Funds like TWUSUPER to apply insurance cover before a member reaches age 25 and \$6,000 account balance.

This should not be confused with Funds that have occupation exclusions on their default cover or restrict members from accessing additional insurance cover. It should also be noted that a person's occupation when first joining their super fund is most likely to have changed by the time they reach age 25 and automatic default insurance commences.

This means that members could be stapled to funds that do not allow members default access to insurance cover to suit their needs, and assumes a level engagement that has been proven not to exist for most superannuation fund members.

If members are unable to access insurance through their super fund (even at group discounts) they are unlikely to be able to access competitive insurance through the retail environment on an individual basis.

7. Case studies demonstrating real world impacts

As detailed elsewhere in this submission, the PMIF changes introduced in 2019 are such that without the PMIF dangerous occupations exemption TWUSUPER would have to switch off default insurance coverage members young members (under 25) or members with low account balances (under \$6,000).

The following case studies provide examples of where the PMIF exemption is providing demonstrable benefit to members of TWUSUPER, but similarly provides an insight into the detrimental impacts of stapling on workers moving into hazardous and dangerous occupations.

Analysis of TWUSUPER's insurance claims data for 2020-2021 shows that without that exemption introduced with PMIF 9% of TWUSUPER's Death claims would not have included an insured value, and a staggering 31% of Total and Permanent Disability (TPD) claims would not have had an insured value.

TWUSUPER member Case Study #1: Gerald, 48yo Container Stacker Operator.

Gerald, 48 was working as a container stacker operator when he joined TWUSUPER in January 2020.

Just eight months later he suffered a stroke at work, which has resulted in permanent visual disturbance as well as profound cognitive and physical functional impairments that means he now requires assistance with even basic activities of daily living such as bathing and domestic duties.

Prior to his stroke, Gerald had worked in a variety of occupations across the transport industry and held several licenses to operate heavy machinery. After his stroke Gerald has been unable to return to work in any occupation, either inside his education, training and experience or otherwise.

At the time of his accident, Gerald held just \$3,450 in his balance and subsequently would not have been able to obtain cover or his subsequent payout of \$76,000 without TWUSUPER's dangerous occupation exception.

TWUSUPER member Case Study #2: Charlie, 38yo Truck Driver.

Charlie, 38 was working as a truck driver when he joined TWUSUPER in 2017.

He was subsequently diagnosed with bowel cancer which resulted in ongoing mental health issues, including post-traumatic stress diagnosis and anxiety during a failed return to work attempt before finally ceasing work altogether in April 2020, unable to cope with the physical demands of long-haul truck driving.

A concurrent Workcover claim pushed the opinion that Charlie was able to continue long haul truck driving with a stoma bag, but failed to take into consideration the concurrent mental health issues arising from his diagnosis, and the physical exertion required in securing loads, and unloading trays.

Subsequently, Charlie suffered several disc bulges as a result of attempting to accommodate these physical demands around his existing restrictions.

When Charlie lodged the Total & Permanent Disability claim with TWUSUPER, he had just \$1,229 in his superannuation balance. Charlie's claim was subsequently approved to the value of \$104,000, and would have not have held cover at all without TWUSUPER's dangerous occupation exception.

TWUSUPER member Case Study #3: Aaron, 35yo Storeman.

Aaron, 35 was working as a Storeman when he joined TWUSUPER in February 2021.

Eight months later, he was involved in a motor vehicle accident that resulted in the loss of his left leg and significant PTSD.

Six months after the accident, he was still on the waiting list to be fitted for a prosthesis. Having completed school until Year 9 and only having ever worked in heavy manual occupations that was no longer able to do, Aaron had little chance of reskilling into a new role.

Aaron's balance of \$1,628 at the time of the accident would have rendered him ineligible for TPD cover at the time of the accident without TWUSUPER's dangerous occupation exception. Instead Aaron was entitled to a TPD insured amount of \$134,000 which has assisted with modifying his house to accommodate his new restrictions and rebuilding his life.

TWUSUPER member Case Study #4: Rick, 42yo Truck Driver becomes a Prison Security Officer

Rick, 42 was employed as a truck driver when he joined TWUSUPER and in doing so had applied for additional voluntary death, TPD and IP cover (beyond the default) with TWUSUPER and was accepted.

Rick then had a career change, becoming a prison security worker and on joining his new employer's default fund he rolled his TWUSUPER account over to the new fund at the same time as he put in his request to transfer his insurance cover from TWUSUPER to the new fund.

The transfer of cover was denied by his new fund because he worked in a hazardous occupation and that fund's attached insurance contained occupational exclusions. Nor was he eligible to apply for voluntary cover or IP cover in the new fund as the new fund did not cover dangerous occupations.

As the member had already closed his TWUSUPER account the cover was cancelled and therefore the member was now without the additional insurance and financial security that TWUSUPER provided him.

This is an example of where a super fund member may assume that all funds have similar levels of insurance cover, when in fact many funds exclude dangerous occupations and are not tailored to certain industries.

Case Study #5: Interstate Truck Driver represented by Maurice Blackburn Lawyers

This is an example of where occupational exclusions common with the insurance provided by many super funds has proven inappropriate to workers in dangerous occupations, an issue exacerbated with stapling.

Ms Kim Shaw, Executive Director, National Head of Personal Legal Services, Principal Lawyer, Maurice Blackburn in testimony before Senate Economics Committee hearing into the *Your Future Your Super* bills on 8 April 2021, provided the following case studies of a truck driver.

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An interstate truck driver had recently changed employers. When he commenced at his new employer he did not nominate a superannuation fund and was defaulted into his relevant default industry fund but also retained his previous superannuation account, also with insurance attached.

The truck driver subsequently suffered a catastrophic brain injury outside of work.

His industry fund, without occupational exclusions, accepted his total and permanent disability (TPD) claim and it was paid.

Unfortunately his other account was with a retail super fund that provided an insurance policy with occupational exclusions.

That is, in the definitions in the occupation of interstate truck driver was deemed to be uninsurable. This meant that the driver's claim was denied because of his occupation, despite having paid his premiums and expecting to be covered.

In commenting on this interstate truck driver who was denied his claim based on occupational exclusions, Ms Shaw told the committee:

"Part of the issue is that, in the example you were just describing... whilst insurance from the occupation that they started with will respond, when it's stapled and it follows them and their next occupation has a high-risk element to it, in our work we see that often high-risk occupations are excluded from cover and the worker may be completely ignorant of this. They will only find out when it comes to... actually claiming.

For example, at the moment we're dealing with a bunch of more than 20 workers who are excluded—even though they've been paying premiums, too, the point must be made—because the occupation that they've now shifted to is considered to be a high risk occupation and they're no longer covered.

So that's really the point when we talk about whether the insurance is appropriate or not. Too often we see examples of where a different occupation is excluded, and that's really the rationale for our focus in our submission on knowing what the occupation type is and making sure that the person will have sufficient cover—or have cover at all. "

8. Conclusions and Recommendations

In 2021 the Your Future, Your Super package was met with a chorus of concern from across the superannuation sector and beyond, including investment managers, actuaries, business groups and unions.

It is TWUSUPER's observation that while Your Future, Your Super has brought some positive changes it has also massively increase red tape and the administrative burden for employers when onboarding staff, allow workers to be left in or sold into under-performing super funds under 'stapling', and leave employer and workers in transport exposed with no insurance coverage at all or cover that isn't fit for the industry, and serves to dismantle a lot of what has made super so effective for Australians through the default system.

TWUSUPER welcomes transparency, accountability, and good faith measures by governments to improve superannuation outcomes for our members but believes proposals should reflect real world behavior and be built for the majority.

Underperformance in the sector, member engagement, workplace education, and questions of informed choice are important issues for the superannuation sector and legislators to grapple with. The aim should be to ensure superannuation fund member outcomes are maximised, and that superannuation is truly universal, but without modification the Your Future Your Super changes will remain sub-optimal to member outcomes.

Adequate insurance cover is important for family security and peace of mind for many Australians, with a large proportion of Australians gaining life, TPD, and income protection cover through their superannuation at a cheaper rate due to the scale benefits that group insurance arrangements can provide.

The effects of stapling have meant that many workers joining transport and other hazardous industries do not have the benefits of appropriate, tailored insurance that reflects the risks and dangers of their jobs. The case studies provided in this submission demonstrates the real world consequences for workers in hazardous and dangerous occupations of getting the setting wrong with stapling and over-riding of defaults.

Regulatory responses must be practical and aimed at ensuring members and their families in transport and other dangerous industries are not left uncovered, and don't end up in a Fund that doesn't reflect the realities of their industry and occupation.

TWUSUPER calls on the federal government to exclude dangerous and hazardous occupations from 'stapling' consistent with the Putting Members Interests First (PMIF) provisions first legislated in 2019, to remove the likely potential harm being caused workers in those occupations by stapling.

More broadly, as an industry super fund from the transport sector, tailored to its needs and run only to profit members, TWUSUPER believes consideration of the issues raised by Treasury in its discussion paper should be part of a comprehensive discussion and suite of changes aimed at improving outcomes in retirement for the vast bulk of Australians, including transport and logistics workers.

TWUSUPER is disappointed that discussion of stapling often ignores the workers missing out on any super at all. Your Future Your Super has done nothing to assist engagement around superannuation for hundreds of thousands of Australians working in the "Gig" or "on-demand" sectors performing transport work, but missing out on superannuation altogether.

There is now an opportunity for the federal government to ameliorate the problematic impacts of Your Future, Your Super and acknowledges the review provides an opportunity to make evidence-based improvements in the best industry of super fund members.

TWUSUPER welcomes opportunities to further discuss the issues raised, and thanks Treasury for the opportunity to make this submission.

TWUSUPER also notes and supports the submissions to this review by the Australian Institute of Superannuation Trustees (AIST) and Industry Super Australian (ISA).

To discuss the content of this submission or for further information please contact Matthew Rocks at TWUSUPER on matthew_rocks@twusuper.com.au or (03) 9635 5900.

TWUSUPER

GPO Box 779
MELBOURNE VIC 3001

TWUSUPER.COM.AU

TWU Superannuation Fund (TWUSUPER) ABN: 77 343 563 307
Registration No: R1000283
Australian Financial Services Licence (AFSL): 239163
Registrable Superannuation Entity Licence No: L000024