

A group of 15 Protect employees, including men and women, are posed for a group photo on a construction site. They are wearing dark blue t-shirts with the Protect logo, blue or white hard hats, and blue work pants. Some are wearing safety boots. The background shows a large industrial building under construction with a complex steel framework and scaffolding. A blue lift platform is visible on the left, and an orange JLG lift is on the right. The text 'Protect' is overlaid in the top right, and 'ANNUAL REPORT 2017 / 18' is below it.

# Protect

## ANNUAL REPORT 2017 / 18



# ABOUT US

Preferred by more than 35,000 workers and 1,200 employers throughout Australia, Protect is the leading industry severance scheme across the electrical, manufacturing, maritime, rail and construction industries.

Our primary purpose is to support employers, workers and their families during any period of unemployment, illness, injury or personal difficulty.

We achieve this by offering a range of services, including:

- administering a redundancy and severance scheme
- facilitating income protection insurance
- offering counselling services, and
- assisting employers with compliance obligations.

# Protect

Working hard to provide vital financial security for workers when they need it most.

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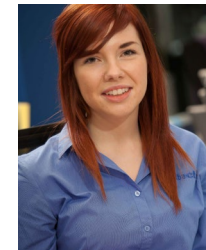
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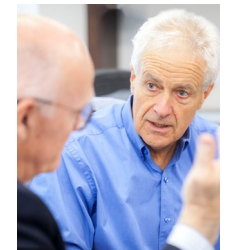
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MICHAEL ANDERSON  
PROTECT CHAIRMAN



## CHAIRMAN'S REVIEW

The 2017/18 financial year was a strong year for the Protect schemes. The Board, in conjunction with the [CEO](#), established a new strategic plan which included a review of our investment strategy.

I am pleased to report that the investment return for the financial year was 10.16%. This is an impressive return despite the scheme's relatively conservative portfolio.

### ASSET ALLOCATION

During the year the Board, in consultation with our investment advisors Pitcher Partners, conducted a thorough review of our investment portfolio. We commenced the financial year with a target portfolio of 55% in growth assets and 45% in income assets – a relatively 'balanced' fund. Following modelling of different portfolios, a decision was made to reduce the risk of the portfolio to 30% growth assets and 70% income assets. The modelling demonstrated that the change of asset allocation would result in the portfolio being significantly more robust to withstand major market downturns. The Protect Board felt that the rebalance would best protect members' funds during current times of geo-political uncertainty.

Of course, de-risking the portfolio changes the expected returns. As the portfolio is in a lower risk position, we can in all probability expect lower returns on average than we recorded in 2017/18. Ultimately, the Board acted in the best interests of the members placing the security of their funds over higher returns.

*The 2017/18 financial year was a strong year for the Protect schemes.*

### FACILITY AGREEMENTS

While reviewing the investment portfolio, the Board also initiated agreements with the founders of Protect, the [ETU](#) and [NECA Victoria](#), to provide further protection for the funds. The agreements allow for funds to be drawn from our founders if further funding is required as a result of a shortfall due to severe investment market conditions.

### LEGISLATION

In late October 2017, the Government introduced the Fair Work Laws Amendment (Proper Use of Worker Benefits) Bill. This Bill was a response to recommendations on Redundancy Funds resulting from the 2015 Heydon Royal Commission. In short, the Bill seeks to impose some governance conditions on redundancy funds like Protect and introduce the Registered Organisations Commission (ROC) as the governing body of the industry funds and to restrict the use of funds.

Protect already operates with high standards of governance and has undertaken two independent reviews of its governance practices in 2015 and 2018. The 2018 review found that many of the requirements of the Bill are already in place, including independent directors, strong and extensive policies including a risk framework and auditing of accounts, to name a few.

While Protect supports strong governance standards, the Board and management's concerns about the Bill relate to two significant matters. First, the Bill in its current form imposes significantly more onerous governance standards surrounding the operation of the scheme than standards applied elsewhere in the corporate sector. Second, in many clauses of the Bill, extensive power is provided to the Federal Minister to impose "Rules" on topics as broad and vague as governance and investment, without a transparent process outlining how such rules may be passed. This provides a very uncertain environment, which we strongly object to.

## MICHAEL ANDERSON PROTECT CHAIRMAN



### PROTECT NO. 2

From 1 July 2017, a company restructure took place to establish Protect Severance Scheme No. 2 Pty Ltd (Protect No. 2).

The new scheme rules are the same as Protect's existing fund, ElecNet (Aust) Pty Ltd as trustee for Protect Severance Scheme (Protect No. 1). It is operated and managed by the existing Board, and has the same sponsors, and employer and union representatives.

The new structure has no impact on Protect members' entitlements; members still have one Protect account with one statement and one account balance. All new members who joined Protect from the 1 July onward came under Protect No. 2 and all employer contributions after this date are also made to Protect No. 2.

When the time comes for members to lodge a claim, the payout will be made up of a combination of funds from both Protect No. 1 and Protect No. 2.

### BOARD AND MANAGEMENT

I would like to take the opportunity to thank the Board members for their contributions and attendance throughout the year.

Members should be assured that Protect's directors act with diligence and with the interests of Protect's members squarely at the forefront of their thorough discussions.

There was one change to the composition of the Board in 2017 with the resignation of [Wes Hayes](#) in November 2017. Thank you to Wes for his valued contribution during his three years with the Protect Board.

[Danny Filazzola](#) replaced Wes on the Board as the ETU appointed representative.

Thank you to the [CEO, Michael Connolly](#), [management](#) and staff of Protect. The many achievements of all concerned are outlined throughout this report.

“ I am pleased to report that the investment return for the financial year was 10.16% ”





MICHAEL CONNOLLY  
PROTECT CEO



## CEO REVIEW OF OPERATIONS

*2017/2018 saw a new strategic plan established for Protect*

2017/18 marked my first full year in the role of CEO at Protect, working alongside an experienced management team and with a dedicated team of staff who regularly demonstrate a passion for supporting the various industries we work with.

### PURPOSE, STRATEGY & VALUES

Early in my tenure as CEO, considerable effort was spent confirming and refining some fundamentals – our purpose, vision and values. These are outlined on the following pages.

The purpose, vision and values established a platform for developing a new strategic plan, approved by the Board in December 2017. The plan has provided direction for management and staff and helped in prioritising our activities. At the forefront is a renewed emphasis on 'member service' with which I will address further in the following pages.

### MEMBER GROWTH / INDUSTRY CYCLE

Protect's members are employed in the Electrical, Manufacturing / Metals and Maritime industries.

The number of actively employed Protect members has grown from 18,176 to 20,306 in the past year. These active members form part of a broader pool of 35,695 Protect members who have an open but inactive account.

Most of the growth of 2017/18 can be attributed to our involvement in the Maritime industry through income protection insurance.

Protect's origins are in the electrical industry in Victoria and consistent with industry cycles, electrical membership in recent years has been in mild decline. However, this year we saw a modest increase in membership, marking a turnaround due largely to Government infrastructure projects.

The number of claims made also declined from 5,035 to 3,866 which again reflects growth, as sustainable employment leads to fewer redundancies.

“  
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actively employed  
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MICHAEL CONNOLLY  
PROTECT CEO

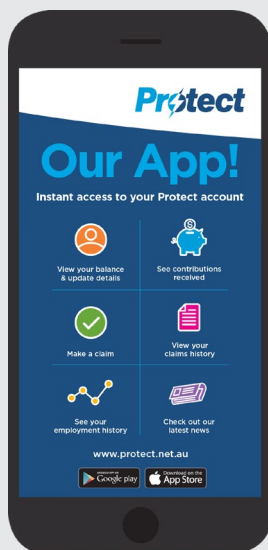


## LEGISLATIVE CHANGE / SENATE COMMITTEE

As the [Chairman commented earlier](#), the Fair Work Laws Amendment (Proper Use of Worker Benefits) Bill was introduced into Parliament but is yet to become law.

We are in good shape to operate under a new governance regime, if required. Our members should note that there will be little noticeable impact on the claims processes or employer contributions. However, the potential for legislation is hampering our progress with initiatives we are excited to implement, like an improved website.

## SMARTPHONE APP & ONLINE SERVICES



A very pleasing development during the year was the introduction of a new [Smartphone App](#) in September 2017. Over 3,600 members have downloaded the App since its introduction.

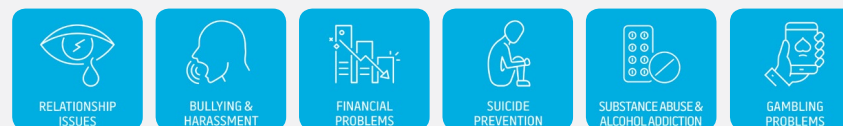
Workers now have the ability to lodge an initial claim with Protect and since its introduction, one in four of initial claims has been submitted via the App.

The demand for online services also continues to grow with 66% of initial claims now received online (including the App) rather than on paper. This is a significant increase on the previous year where 40% of claims were online.

## ProtectCounselling

During the year we welcomed [Hunterlink](#) to the Protect team as the service provider for [Protect Counselling](#). Hunterlink is a national, not-for-profit organisation experienced in providing counselling and support throughout Australia. They operate a national 24/7 helpline and Employee Assistance Programs as well as face to face counselling.

Protect Counselling is a free support program, independent of Protect, that provides Protect members and their immediate family access to qualified professionals 24 hours a day, 7 days a week - Australia-wide. 425 people used the counselling service in the year, for a total of 1,711 counselling sessions.



## DIRECTORS, STAFFING AND SERVICE PROVIDERS

All achievements outlined in this report are a result of the work of our team of 22 people at Protect.

More broadly, we rely on a range of external service providers for advice or service provision across a range of areas including investment, legal, audit, marketing and debt collection and we thank those organisations for their support during the year.

Finally, I thank the Board for their continued guidance and support of the management team during the year.



# ■ STRATEGY AND PURPOSE

*The Protect Board and management team reviewed and confirmed our statement of purpose during 2017/18.  
This statement formed the basis for establishing a new strategic plan.*

## PROTECT'S PURPOSE

*To support employers, workers and their families in our Sponsors' industries during any period of unemployment, illness, injury, personal difficulty, career transition or skill development.*

### WE AIM TO ACHIEVE OUR PURPOSE BY OFFERING A RANGE OF SERVICES INCLUDING:

- ▶ Administering a redundancy and severance scheme
- ▶ Facilitating income protection insurance
- ▶ Offering counselling services
- ▶ Assisting employers with their compliance obligations

## PROTECT'S VISION AND STRATEGY

*Our vision is to be the best Worker Entitlement Fund in Australia.*

### WE CAN ACHIEVE OUR VISION BY BEING:

#### ▶ The fund of choice for workers and employers

- offering competitive services to existing and new customers, throughout Australia

To achieve this, our strategic plan outlines a GROWTH PLAN

#### ▶ Member focussed

- by providing responsive, secure, accurate and efficient service
- contemporary technology and sensible processes
- appropriately resourced to deliver customer service

To achieve this, our strategic plan outlines a CUSTOMER AND EFFICIENCY PLAN.

#### ▶ The best governed fund

- up to date with IT security and member privacy
- compliant with legal obligations
- strong governance framework with comprehensive policies and business rules
- trustworthy and transparent

To achieve this, our strategic plan outlines a GOVERNANCE PLAN.

#### ▶ Socially responsible, community minded, industry supportive and a great place to work

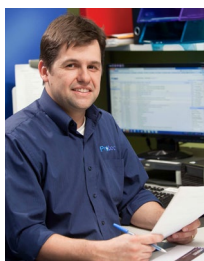
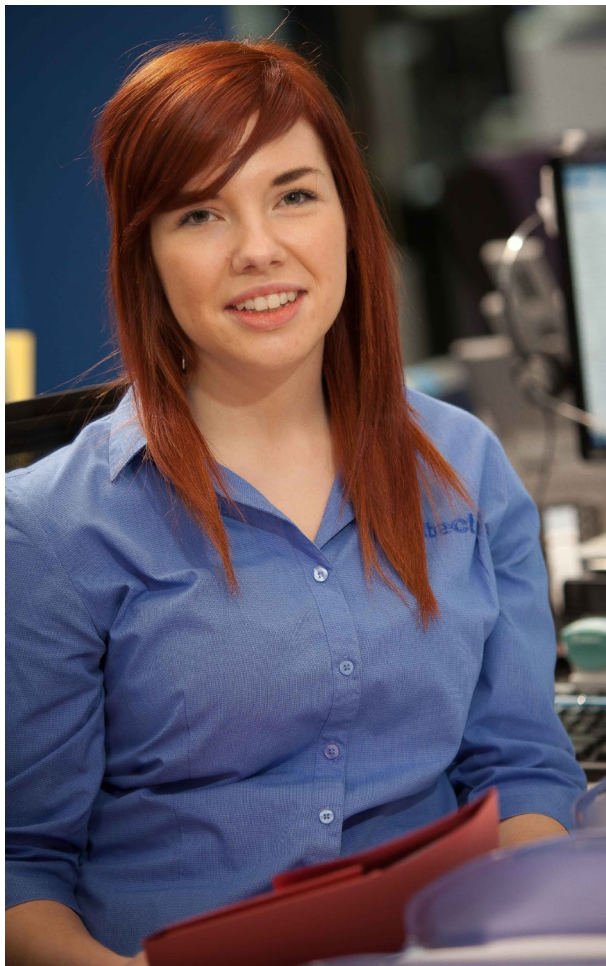
- continue to support community organisations
- continuously improving, sustainable operation
- invest responsibly

To achieve this, our strategic plan outlines a PEOPLE AND COMMUNITY PLAN.

#### ▶ Preserving capital to protect members' funds, with income and capital growth applied to:

- pay costs of administration
- investment strategy to protect against market fluctuations
- meet founder expectations

To achieve this, our strategic plan outlines an INVESTMENT AND FINANCE PLAN.



## ■ OUR VALUES

*Protect staff and management worked together in early 2018 to articulate a new set of values.*



### WE ARE SUPPORTIVE

Available and responsive



### WE ARE RESPECTFUL

Courteous and fair



### WE ARE A TEAM

Approachable



### WE ARE ETHICAL

Doing what we say we will do



### WE IMPROVE

Open to receiving feedback

*Each of the values is accompanied by a series of guidelines and explanatory notes to show how we can demonstrate the value, with a sample shown above.*





# MEMBER PROFILES & MEMBER SERVICES

## DIVISIONS

The movement in member numbers in the electrical industry has been in moderate decline, reflecting the industry cycle. However, a modest increase in membership in 2017-18 reversed the trend and along with other indicators, suggests a growth in industry employment, particularly in Protect's home state of Victoria.

Over the last six years, Protect's services have been provided to industries outside of electrical trades, namely metals and manufacturing workers as well as maritime workers.

- ▶ In the **electrical** division, most workers are part of the redundancy and severance scheme and also receive income protection insurance.
- ▶ Most **manufacturing** workers are members of the redundancy and severance scheme.
- ▶ Most **maritime** workers are members via income protection insurance.

Protect workers actively employed total 20,306, up 11.7% from 18,176 in the previous year. In addition, there are a further 15,389 members on our records with an open account but not currently working with a Protect-contributing employer.

↑11%

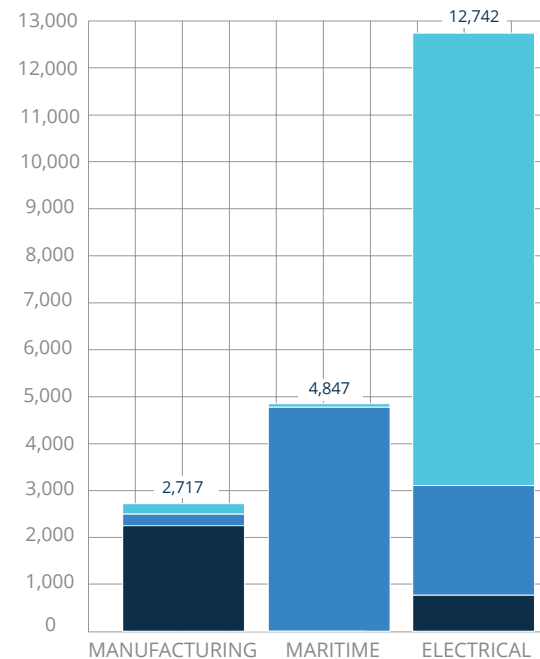
20,306  
EMPLOYED WORKERS

35,659  
OPEN ACCOUNTS

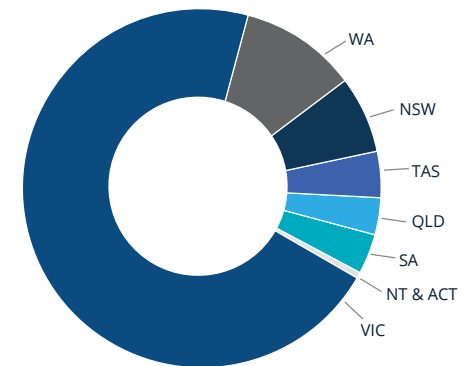
*Protect's origins are in the electrical trades industry, which still forms the majority of our membership base.*

SEVERANCE ONLY  
INCOME PROTECTION ONLY  
BOTH SEVERANCE AND INCOME PROTECTION

MEMBERS BY ACCOUNT TYPE



EMPLOYED WORKERS BY STATE: JUNE 2018



## AUSTRALIA-WIDE

Protect has members in all Australian States and Territories. While our home State is Victoria, we have a strong presence in Western Australia and at least 500 members in six states.



## SEVERANCE AND REDUNDANCY SCHEME

Protect was Australia's first industry severance scheme to offer members a choice of two severance accounts.

### TERMINATION ACCOUNT

The Termination Account (TER) allows workers to claim in a wide range of circumstances, although with a limit on the initial claim and income tax applicable on the payment.

### GENUINE REDUNDANCY ACCOUNT

The Genuine Redundancy Account (GRA) provides a tax free redundancy payment, with a higher claim limit than under the TER.

Under the GRA, a claim may only be made in limited circumstances such as a redundancy, retirement or upon death.

Workers must select their account type in advance of the severance event.

## INCOME PROTECTION INSURANCE

Protect administers a range of income protection policies, tailored for members in the electrical, manufacturing and maritime industries.

The insurance policies are held by the relevant union and are issued by [ATC Insurance Solutions](#).

Protect's role is to register new members and collect insurance premiums from employers which are then passed on to ATC Insurance Solutions. Protect's field officers visit work sites and employers to inform workers and employers of the policy benefits and the claiming process.

ATC Insurance Solutions develops the policy together with the policy holder and Lloyds of London. ATC Insurance Solutions administers the claims process and pays the claims.

## COUNSELLING



Protect's members engage with us when they are experiencing a difficult time, such as loss of work, potential loss of work or an injury or illness affecting their work or livelihood. These circumstances can then trigger relationship issues, drug and alcohol dependency and financial problems.

It therefore makes sense for Protect to offer a counselling service to assist workers in difficult times.

[Protect Counselling](#) is an independently run support program that provides 24/7 access to professionals, at no cost to members. The service is available to Protect employers, workers and their immediate families.

In 2017-18, [Hunterlink](#) counselling joined the Protect team, to provide counselling services. Out-sourcing this important service ensures trained professionals are available and that any counselling sessions are in no way linked to Protect.

Each quarter, Hunterlink provides around 425 counselling sessions to approximately 230 Protect members.

A Hunterlink [counselling portal](#) is available on Protect's website or direct contact can be made with counsellors on the free call line **1300 725 881**.



## FIELD TEAM SUPPORT

Protect has a team of six [Field Officers](#) who provide support to employers and workers at their workplace.

Our Employer Relations Manager works with employers to assist with the registration process helping employers and their staff with the monthly online and contribution process.

The remaining members of the Field Team visit workers, employers and unions to provide information about the benefits of Protect's services including severance, insurance and counselling, and the process to claim.

At times, the field team will visit workers at home or in hospital at their request, to support them in the insurance claiming process.

Five team members are based in Melbourne and one in Perth, with regular travel to all States and Territories.

## MEMBER SERVICES SUPPORT

The front line for employer and worker contact, our Member Services Team is available by phone on **1300 444 249**. They are the starting point for enquiries or arranging a visit from our Field Team and are equipped to assist members with severance claims, changing contact details and checking account balances.

With the introduction of our [Smartphone App](#) in September 2017, workers now have the ability to view balances and edit some contact details themselves.



## ■ BOARD AND GOVERNANCE

*The Protect entities operate under the same Board of Trustees and comprise of:*

---



Two independent Directors,  
including an independent Chair



Two Directors represent [NECA](#),  
the National Electrical and Communications  
Association Victorian Chapter



Three Directors represent the [ETU](#),  
the Electrical Trades Union in Victoria







**MICHAEL ANDERSON**  
Independent Chairman

Michael joined the Board in 2010 and became Chairman in 2016. He has extensive experience in finance and investment and has held chief executive and senior executive positions at National Australia Bank, Victorian Funds Management Corporation and Transport Accident Commission among others.

[View the Chairman's Review](#)



**SUE CARTER**  
Independent Director

Sue joined the Board in February 2016 and is Chair of Protect's Audit and Risk Committee.

Sue is an Australian Institute of Company Directors core facilitator in directors' duties, financial reporting, decision-making and Board processes.

Sue is qualified as a Chartered Accountant and previously worked with KPMG in the UK. Sue is a past ASIC Regional Commissioner for Victoria and past director of the Professional Indemnity Insurance Company Australia and Treasury Corporation of Victoria.

Sue is also a director of First State Super and ANZ Australian Staff Superannuation Pty Ltd.



**DEAN MIGHELL**  
Director representing the ETU

Dean Mighell was an A Grade electrician, ETU Shop Steward and OHS Representative when he became an ETU organiser in 1988.

Serving as Secretary of the ETU Victorian Branch from 1995 to 2013, Dean is a passionate campaigner for workers' entitlements. He led the charge to create an independent and strong severance scheme in 1998, which ultimately formed Protect. Dean also pioneered the establishment of Australia's best income protection and personal injury and illness insurance for electrical workers; administered by Protect.

A former President of the Victorian Trades Hall Council, Dean is currently National President of the Communications Electrical Plumbing Union, Electrical Division.



**PETER SMITH**  
Director representing NECA

Peter has had forty years experience in the Building and Construction Specialist Subcontracting Industry in the areas of electrical and fire protection services. His experience has ranged from construction site to General Management roles. He has had responsibility for a business with sales in excess of \$140 million and 400 staff. Peter is a former Director of CBUS.



**ROD DALGLISH**

Director representing the ETU

Rod is currently the General Manager Business Services for the Electrical Trades Union and was appointed to the Board of Protect in 2015.

Rod is a member of the Certified Practising Accountants and has the following qualifications: Bachelor of Business in Accounting, Graduate Diploma of Taxation and Masters Degree in Accounting.



**MICHAEL PURNELL**

Director representing NECA

Appointed as a Director of Protect in July 2015, Mike is an experienced general Manager in the electrical contracting industry, including 13 years as General Manager of Nilsen (Vic).

Mike is also an experienced Board Director in commercial and not-for-profit environments as well as experienced General Manager, Regional CFO and Corporate Advisor.



**DANNY FILAZZOLA**

Director representing the ETU

Danny was appointed to the Protect Board in October 2017. His previous positions included Training Officer and Organiser at the ETU.

Danny is currently the Branch President of the ETU - Victorian Branch and Board Member and Joint Chair of Future Energy Skills Ltd.



**WESLEY HAYES**

Director representing ETU

Wes was the former Assistant Secretary of the ETU Victorian Branch. He joined the Protect Board in March 2013 and resigned in November 2017.



# ■ COMMITTEES

*Protect's Board operates several sub-committees.  
Each operates within a documented charter outlining the committee's composition and role.*

The [CEO](#) and the [Company Secretary/Chief Financial Officer](#) attend all meetings. Meetings provide for an 'in-camera' session to allow for the directors' discussion without management present.

Protect Committees generally do not have decision making authority, unless a specific delegation is provided by the Board. Recommendations are made by the committee for the Board to approve.

## INVESTMENT AND FINANCE COMMITTEE

All seven members of the Board sit on this committee which meets monthly. An advisor from Pitcher Partners Advisory Services attends most meetings to update the committee on investment performance and recommend changes in investments. [Dean Mighell](#) is Chair of this Committee.

## INVESTMENT SUB COMMITTEE

Directors [Anderson](#), [Smith](#) and [Mighell](#) sit on this committee which deals with urgent investment matters requiring action in between formal Board meetings, via correspondence. Decisions of the committee are tabled at the following Board meeting.

## AUDIT AND RISK COMMITTEE

Four directors, [Carter](#), [Anderson](#), [Smith](#) and [Dalglish](#) sit on this committee. This committee meets with Protect's auditors and discusses matters of governance, risk management and policy. The committee meets three to four times per year. [Sue Carter](#) chairs this committee.

## HR & REMUNERATION COMMITTEE

Four directors, [Carter](#), [Anderson](#), [Purnell](#) and [Filazzola](#) sit on this committee. The committee discusses remuneration of directors, management and staff as well as policies. [Michael Anderson](#) chairs this committee which meets one or two times per year.

## MEETING ATTENDANCE

	Board	I&F	A&R	HR&R
<b>Anderson</b>	13/14	9/10	3/3	1/1
<b>Carter</b>	13/14	9/10	3/3	
<b>Mighell</b>	12/14	9/10		
<b>Dalglish</b>	14/14	10/10	3/3	
<b>Filazzola</b>	7/9	5/7		1/1
<b>Purnell</b>	13/14	9/10		1/1
<b>Smith</b>	12/14	9/10	3/3	
<b>Hayes</b>	3/5	1/3		

## CONFLICT MANAGEMENT

Protect has a conflict management policy which was reviewed and confirmed by the Board during the year. Following our 2015 and 2018 governance reviews, undertaken by an independent contractor, a small number of recommendations to improve the policy were adopted.

A register of conflicts of interest is tabled at each Board meeting and directors sign an annual declaration confirming the register is accurate. Each Board and committee meeting agenda has a standing item to allow for directors to declare any actual or potential conflicts.

## RISK MANAGEMENT

A risk management policy, framework and register have been developed to ensure appropriate management and Board oversight of risk.

A risk paper on various topical risks is presented at most Board and committee meetings to allow for a detailed report on each matter and ensure that adequate risk mitigation controls and activities are in place.



**MICHAEL CONNOLLY**  
Chief Executive Officer

Appointed in April 2017, Michael has extensive experience in the worker entitlements industry, having previously been Company Secretary and Manager Corporate Strategy of CoINVEST Ltd for over a decade.

His experience covers corporate governance, strategy and information technology including leadership of several major projects.

Michael has previously held a management role in the finance team of an international manufacturer and has also worked in the investment industry.

[View the CEO's Review](#)

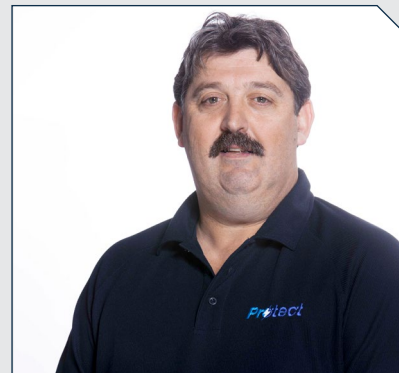


**SELENE SHARP**  
Chief Financial Officer  
and Company Secretary

Selene joined Protect in 2010. She holds a Bachelor of Business, is a Chartered Accountant and Registered Tax Agent.

Prior to working at Protect Selene worked for two of the top four accounting firms achieving the level of Client Director.

The CFO has been with Protect since January 2010 when the Scheme's administration was bought in house.



**GARY ROBB**  
Industry Liaison Officer

Gary joined Protect in November 2011, to lead the Field Officer team with the aim of growing the Scheme, specifically targeting the manufacturing division (AMWU).

Previously elected Assistant State Secretary/Metal Secretary of the AMWU Victorian Branch, Gary also served as a Director on the Board of a similar organisation for two years and was an Executive of the Victorian Trades Hall for six years.



**GERARD NICOLLE**  
Business Manager

Gerard joined Protect in June 2017 after being the Operations & IT Manager at a similar organisation for over 12 years. He has experience managing several projects including the successful development and implementation of online contribution and client management software.

Gerard holds Bachelor of Business (Administration and Marketing).



# KEY INDICATORS

*The Board has successfully transitioned the portfolio from 55% growth assets toward a target of 30%.*

## MEMBERS FUNDS

The Protect schemes have total assets of \$269 million which is adequate to cover member entitlements of \$245 million, as well as other operating liabilities.

If claims were to continue being paid to members at the current rate of \$38.7 million per year, total assets represent nearly 7 years worth of claims.

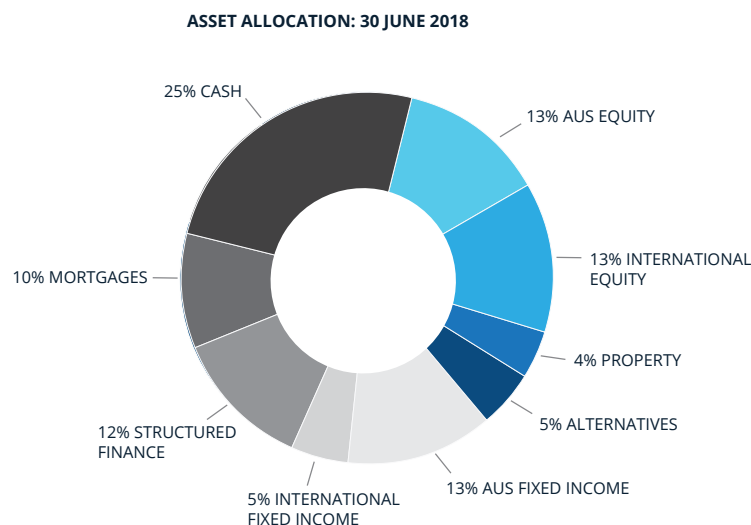
In addition, the schemes are able to draw funds from our founders, the ETU and NECA Victoria, via a facility agreement.

## INVESTMENTS

### ASSET ALLOCATION & ASSET CLASS PERFORMANCE

At 30 June 2018, 35% of assets were allocated in 'growth' categories (blue) and 65% in income categories (grey).

The Board has successfully transitioned the portfolio from 55% growth assets towards a target of 30%. This more conservative approach aims to provide a stronger protection on members' funds and better protection from the risk of severe downturns in equities markets.

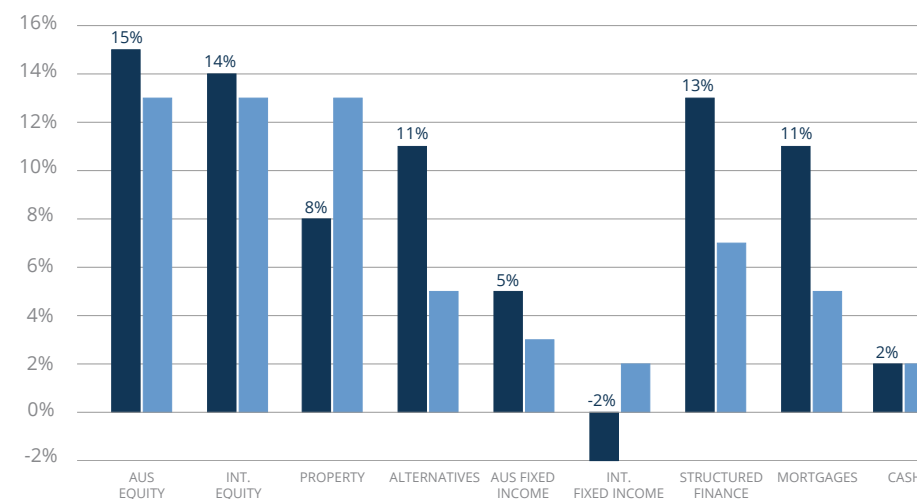


### DIVERSIFICATION

Holding a diversified portfolio aims to mitigate risk and reduce the volatility of investment returns.

■ ACTUAL  
■ BENCHMARK

### RETURNS BY ASSET CLASS



# KEY INDICATORS

## CLAIMS

The number of claims has fallen by 23%, consistent with a pickup in employment in the electrical industry.

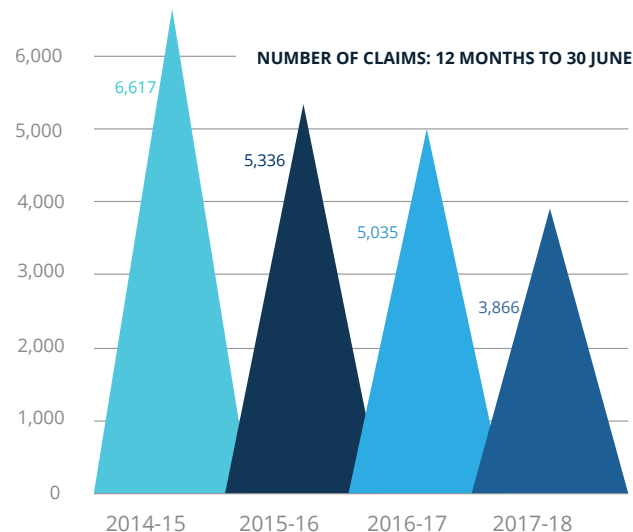
The total value of claims paid out during the year was \$38.7 million to 3,866 members – providing an average claim value of just over \$10,000.

## CONTRIBUTIONS

Employers contributed \$43.2 million to the severance scheme, down from \$45.4 million the previous year. In the second half of the financial year, contributions were higher than in the first half, indicating a pickup in employment.

The value of contributions (\$43.2 million) exceeded the value of claims paid (\$38.7 million). This is a turnaround from the previous year when more claims were paid out than contributions received. This is yet another indicator of improving employment as contributions are held until a future severance or redundancy.

*A downward trend in claims is consistent with increased employment levels in the electrical industry.*



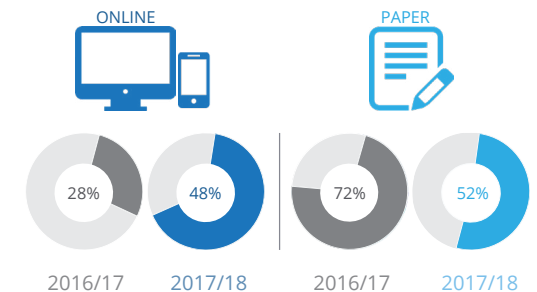
## ONLINE SERVICES

Demand for online services is drastically increasing with nearly half of all claims submitted online.

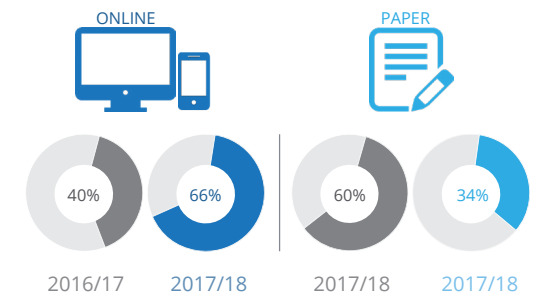
When looking at 'initial claims', where online claiming is available, two thirds of workers choose to lodge their claims electronically either via [Protect's website](#) or the new [Smartphone App](#).

### ONLINE V PAPER CLAIMS

#### 3,866 CLAIMS SUBMITTED



#### 2,755 INITIAL CLAIMS SUBMITTED



*23% of initial claims were submitted via App this year*

↓23%

**\$38.7M**  
CLAIMS PAID OUT

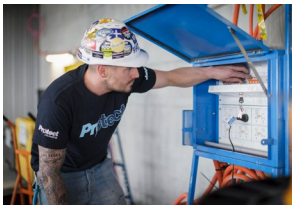
**\$10,000**  
AVERAGE CLAIM VALUE



# KEY INDICATORS

*An increase in membership numbers has been driven by major infrastructure projects in Victoria.*

## MEMBER GROWTH



### ELECTRICAL INDUSTRY

Most members have both a severance/redundancy account as well as income protection insurance. The Electrical division is Protect's original and largest sector. The industry movements generally reflect changes in the broader construction industry cycle. After some moderate membership declines in recent years, membership numbers have marginally increased, mainly driven by the commencement of major infrastructure projects in Victoria.



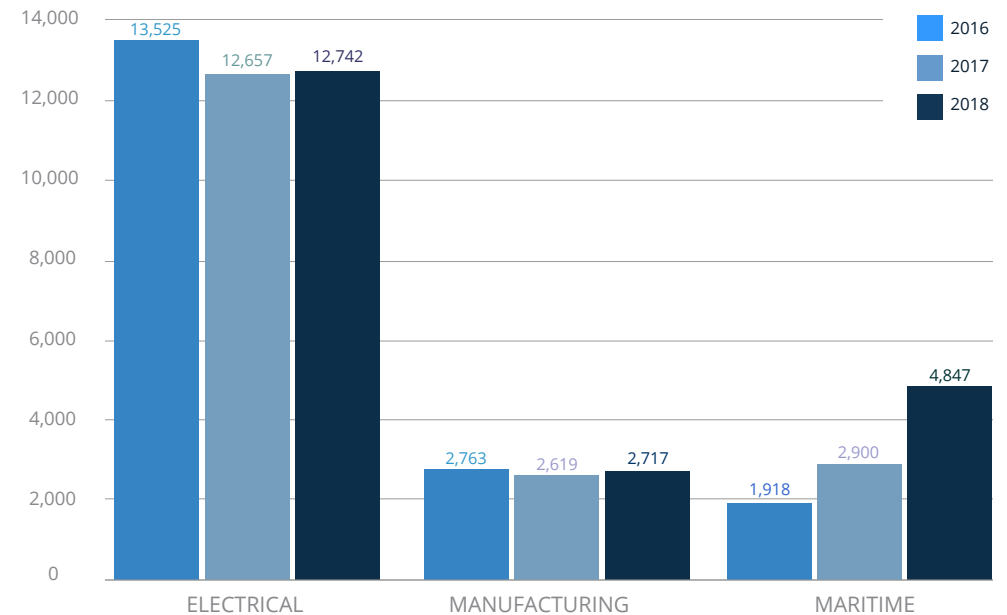
### MANUFACTURING INDUSTRY

Membership numbers are relatively flat. Most members have a severance/redundancy account. Early in the financial year saw some significant redundancies from plant closures in the Gippsland region. High levels of claims reduced member balances in total.



### MARITIME INDUSTRY

Income protection insurance for Maritime workers across Australia was a major source of increase in member numbers. The number of members covered by Protect has now more than doubled from two years ago.



EMPLOYED WORKERS BY INDUSTRY



## ■ PROTECT IN THE COMMUNITY

*Protect is the proud official sponsor of the Victoria Thunder Wheelchair Rugby team and the Victoria Wheelchair Rugby Cup.*

### DISABILITY SPORT AND RECREATION

Disability Sport and Recreation is the health-promoting peak organisation for the disability sport and recreation sector in Victoria.

Their mission is to provide and promote positive health outcomes for Victorians with a disability, through participation in sport and recreation.

Protect is the proud official sponsor of the Victoria Thunder Wheelchair Rugby team and the Victoria Wheelchair Rugby Cup.

### CARBON NEUTRAL

In 2016, an internal initiative began when a group of Protect employees identified the environment, sustainability and the community as areas of importance and concern to them.

The employees involved quickly established a working group and, with the support of the CEO and Board, set about identifying ways Protect could meaningfully improve its standing and increase its involvement in the three areas.

After much investigation, the group identified the National Carbon Offset Standard (NCOS), Carbon Neutral Program, as a program of credibility that would help Protect work toward the desired changes.

Over the following 12 months the team established Protect's carbon footprint, an arduous task achieved with the assistance of an external auditor. Additionally, the team discovered a community based, sustainability focused, Timor-Leste carbon offset initiative, 'WithOneSeed'.

In April 2017, as a result of the team's work, Protect gained the NCOS carbon neutral organisation certification, becoming one of just 37 companies in Australia to do so.







## OXFAM TRAILWALKER EVENT

Protect's involvement in the annual [Oxfam TrailWalker](#) event entered its 10th year, thanks to Board member [Peter Smith](#).

Each year a team of four sets out at 6.30am with the aim of completing a 100km walk through the Dandenong Ranges after months of training, including some training walks in excess of 70km! This year the team raised over \$11,000 for [Oxfam](#).



## BALLARAT CYCLE CLASSIC

In honour of Protect's previous CEO, the late Alex McCallum, a keen cyclist, Protect partnered with the [Fiona Elsey Cancer Research Institute](#) in Ballarat for their major fundraising event, the [Ballarat Cycle Classic](#) in February as a gold sponsor.

This opportunity gave Protect the chance to pay tribute to the late Alex McCallum, naming and presenting the 'Alex McCallum Perpetual Trophy' which was awarded to the largest social team registered to ride. Current CEO Michael Connolly and Alex's wife, Mary Ann Gibson, represented Protect at the event and had the honour of presenting the trophy.

The Classic provides participants a choice of cycling and walking circuits including ride circuits ranging from 50km – 135km, a mountain bike fat tyre challenge with distances including 28km, 33km, 40km and 50km, or alternatively a 6km lake walk/run.

Protect members joined the team to participate in the event, alongside staff members.

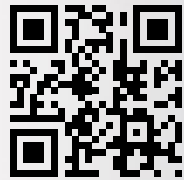
## ONE DAY TO CONQUER CANCER

A team of 11 Protect staff, directors, friends and family participated in the [One Day to Conquer Cancer](#) event in October 2017, a 25 kilometre walk through beachside Melbourne in support of cancer research.

The Protect team raised over \$15,000 to assist with cancer research at the [Peter MacCallum Cancer Centre](#) in Melbourne.







## ■ CONTACT US

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