

Protect

ANNUAL REPORT

2025/2026

ABOUT US

Preferred by more than 60,000 workers and 1,200 employers throughout Australia and New Zealand, Protect is the leading industry severance scheme and provider of income protection insurance across the electrical, metals, maritime, rail, fire rescue and civil 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 what matters

Vital financial security for workers when they need it most.

CONTENTS



PAGE 3:
CHAIRMAN'S REVIEW



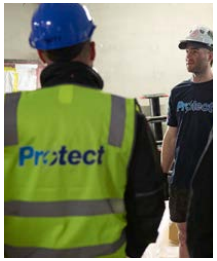
PAGE 6:
CEO REVIEW OF OPERATIONS



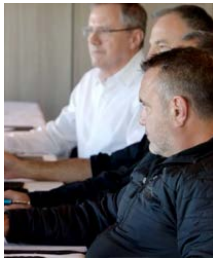
PAGE 9:
STRATEGY AND PURPOSE



PAGE 11:
MEMBERSHIP & SERVICE PERFORMANCE



PAGE 15:
MEMBER FUNDS & FINANCIAL MANAGEMENT



PAGE 18:
GOVERNANCE RISK & COMPLIANCE

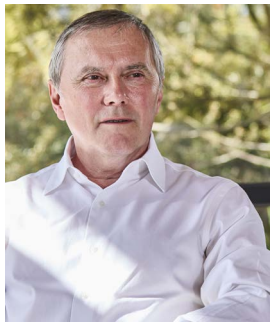


PAGE 28:
PROTECT IN THE COMMUNITY



PAGE 31:
FINANCIAL SUMMARY

MARK ENGEMAN
PROTECT CHAIRMAN



CHAIRMAN'S REVIEW

The 2025-26 year was one of the most significant periods in Protect's history

A YEAR OF GROWTH AND TRANSITION

The 2025-26 year was one of the most significant periods in Protect's history.

As we celebrated Protect's 25th anniversary, the organisation continued to grow while preparing for a major change in the regulatory framework applying to employee entitlement funds. These developments occurred against a backdrop of strong membership growth, high levels of service delivery activity and continued confidence from workers, employers and industry stakeholders.

Since its establishment as the redundancy fund for Victorian electrical workers, Protect has evolved into a national organisation supporting workers across Australia and New Zealand. Today, Protect provides services to workers in the electrical, maritime, metals, manufacturing and civil construction sectors, together with income protection arrangements for firefighters and maritime workers in New Zealand.

While the organisation has expanded considerably over the past twenty-five years, our purpose remains unchanged. Protect exists to safeguard workers' entitlements and provide support during periods of unemployment, injury, illness and personal hardship.

The anniversary also provided an opportunity to acknowledge the many people and organisations that have contributed to Protect's success, including members, employers, unions, sponsors, service providers, Directors and employees.

INDUSTRY REGULATION

The most significant strategic issue considered by the Board during the year was the introduction of an Australian Financial Services Licence (AFSL) framework for employee entitlement funds.

Following an extensive consultation process, ASIC confirmed that operators of employee entitlement funds will be required to obtain an AFSL. The Board supports the introduction of an appropriate regulatory framework and welcomed ASIC's adoption of a model broadly consistent with the approach advocated by Protect.

While Protect has long maintained strong governance arrangements, audited financial statements, independent Board representation and established risk management practices, the new framework provides greater regulatory certainty and consistency across the industry.

Preparation for the AFSL regime has been a major focus of both the Board and management. Significant work has been undertaken to strengthen governance, compliance and risk management arrangements and ensure Protect is well positioned for the new environment.

Importantly, these changes are not expected to alter the core services provided to members. Protect's focus remains on protecting member entitlements, maintaining strong financial management and delivering high quality service.

FINANCIAL POSITION AND REPORTING

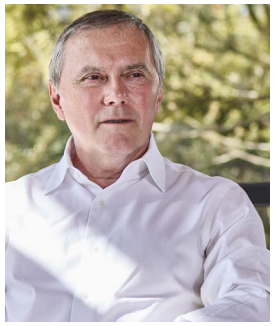
Protect's financial position remained strong throughout 2025-26, with members' entitlements continuing to be fully supported by the assets of the schemes.

At 30 June 2026, Protect held total assets of $545.9 million, covering total liabilities of $527.2 million, including members' funds of $500.8 million.

The consolidated investment portfolio generated a return of 6.55% during the year. Consistent with prior years, the Board maintained a conservative investment strategy focused on preserving capital, maintaining adequate liquidity and protecting members' entitlements.

The Trustees continued to apply the principles

MARK ENGEMAN
PROTECT CHAIRMAN



contained within the Trust Deeds when considering distributions to sponsoring organisations. Any distribution is only declared after the Trustees are satisfied that members' entitlements remain fully protected and that the schemes retain sufficient assets and liquidity to meet future obligations.

During the year, the Trustees declared trust distributions to sponsoring organisations in accordance with the relevant Trust Deeds and only after confirming that members' entitlements remained fully protected and assets continued to exceed liabilities. Total distributions declared during the year were $10.3 million, allocated as follows:

Distributions declared during the year

- **ETU Victoria, NSW & ACT:** $7.07 million
- **VEID:** $2.29 million
- **AMWU Victoria:** $0.81 million
- **MUA Western Australia:** $0.1 million
- **AWU Victoria:** $0.1 million

As part of the transition to the Australian Financial Services Licence (AFSL) regulatory framework, Protect further enhanced its financial governance and reporting arrangements during the year. The Board reviewed financial reporting processes, governance structures and capital requirements to ensure readiness for the new regulatory environment. The corporate structure was also simplified through the appointment of a single trustee company as the Operator of the AFSL.

The financial information presented in this Annual Report is a summarised and consolidated view of the two Protect funds. In accordance with regulatory requirements, the full audited financial statements for each fund are separately published on Protect's website, together with the associated audit reports. These statements provide the detailed financial information required under the employee entitlement fund regulatory framework.

MEMBERSHIP AND ORGANISATIONAL DEVELOPMENT

Protect continued to experience strong growth during the year, with membership increasing across a number of divisions and jurisdictions.

Growth was particularly encouraging in interstate markets and reflects the confidence that workers, employers and industry stakeholders place in Protect's services. The organisation also successfully managed elevated claims activity while maintaining a strong focus on service delivery.

The Board is pleased with the progress made in strengthening organisational capability during the year. In particular, significant investment was made in governance, compliance and risk management capability to support Protect's future development and regulatory obligations.

Following year end, additional Field Officer resources were appointed in New South Wales and Western Australia to ensure Protect remains well positioned to support growing membership in those jurisdictions.

GOVERNANCE AND BOARD CHANGES

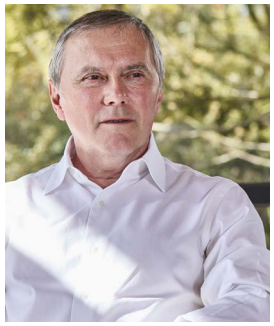
There were two changes to the Board during the reporting period.

Troy Knight resigned as a Director in May 2026. Following year end, Alistair Davey was appointed as his replacement. Stewart Joyce resigned from the Board in March 2026. Following his resignation, Michael Purnell joined the Audit & Risk Committee.

On behalf of the Board, I thank both Troy Knight and Stewart Joyce for their service and contribution to Protect.

The Board also undertook an internally managed governance effectiveness review during the year through a Director survey and individual

MARK ENGEMAN
PROTECT CHAIRMAN



discussions with Board members. The review provided positive feedback regarding Board effectiveness and identified opportunities for ongoing improvement.

The Board's Audit & Risk, Investment, and HR & Remuneration Committees continued to provide valuable oversight and advice throughout the year, particularly as Protect prepared for its transition to the AFSL regulatory framework.

OUR PEOPLE

Protect's ongoing success is built upon the commitment, professionalism and expertise of its employees.

Throughout the year, staff successfully managed increasing membership, substantial claims activity and a significant organisational change program while continuing to provide a high level of service to members and employers.

The Board acknowledges the important contribution made by all employees and remains committed to ensuring Protect continues to be a workplace that promotes capability, engagement and continuous improvement.

PROTECT IN THE COMMUNITY

Protect continued to support a range of initiatives that contribute positively to the wellbeing of workers, their families and the industries in which we operate.

During the year, Protect celebrated its 25th anniversary and again hosted its annual Mental Health Dinner, raising significant funds for community-based initiatives supporting mental health and wellbeing.

Protect also continued its longstanding support of disability sport and industry skills development initiatives, reflecting the organisation's commitment to supporting the broader communities connected to our membership.

ACKNOWLEDGEMENTS

I thank our Chief Executive Officer, Michael Connolly, together with the Executive team and all Protect employees for their dedication throughout a demanding and productive year.

I also thank my fellow Directors for their commitment and contribution during a period of significant strategic and regulatory change.

Finally, I acknowledge the continued support of our sponsors, unions, employer organisations, industry partners and service providers. Their ongoing engagement remains an important part of Protect's success and its ability to protect members' entitlements into the future.







MICHAEL CONNOLLY
PROTECT CEO



CEO REVIEW OF OPERATIONS

Protect continues to experience significant growth

The 2025-26 financial year was one of growth, investment and organisational development for Protect.

As membership continued to expand across multiple industries and jurisdictions, Protect successfully maintained high service standards while undertaking a significant program of operational improvement. The organisation continued to invest in technology, people, governance capability and compliance systems to ensure Protect remains well positioned to support members now and into the future.

Protect's success continues to be measured by our ability to safeguard member entitlements and deliver timely, practical support to workers and their families. Throughout the year, our employees remained focused on this objective, providing high-quality service while managing increasing workloads and substantial organisational change.

A GROWING ORGANISATION

Protect continued its growth trajectory during 2025-26, with active membership exceeding 45,000 workers across Australia and New Zealand.

Growth occurred across most divisions and jurisdictions, reflecting ongoing confidence in Protect's services among workers, employers and industry stakeholders. Strong growth was recorded in New South Wales and Western Australia, while membership also increased across our established electrical, maritime, metals, civil construction and New Zealand arrangements.

Growth brings opportunity, but it also places additional demands on systems, people and processes. Throughout the year, management remained focused on ensuring organisational capability kept pace with this expansion and that members continued to receive the high level of service they expect from Protect.

> "Protect successfully maintained high service standards while undertaking a significant program of operational improvement

MEMBER SERVICES

Protect exists to support members during important stages of their working lives, whether through the administration of severance entitlements, income protection arrangements, counselling services or other member support programs.

During the year, Protect processed almost 9,700 severance claims for workers. While claim volumes remained below the record levels experienced during the previous year, activity continued to be substantially above long-term historical averages.

Importantly, the organisation maintained strong service standards despite these elevated workloads. Claims continued to be processed promptly and members received timely access to their entitlements during periods of unemployment, injury or illness.



MICHAEL CONNOLLY
PROTECT CEO



DIGITAL SERVICES

Digital services continue to play an increasingly important role in the way members interact with Protect.

Online claims submission remains the preferred option for most members, with approximately 80% of all claims lodged electronically during the year. The widespread adoption of digital services has improved convenience for members while supporting efficient processing and administration.

At the same time, Protect remains committed to maintaining multiple service channels. While digital services are increasing in importance, personal service remains a defining feature of the organisation and members continue to access support through telephone, email, workplace visits and direct engagement with Protect staff.

Future investment in technology will continue to focus on security, accessibility and improving the overall member experience.

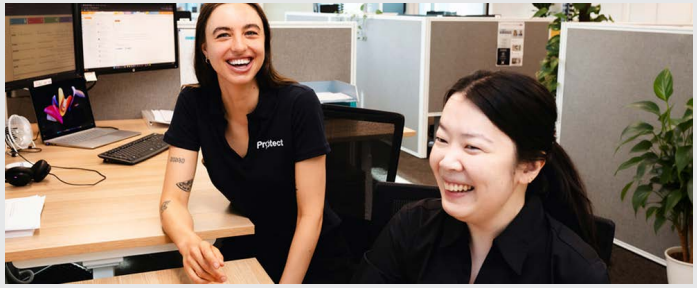
STRENGTHENING ORGANISATIONAL CAPABILITY

A major focus throughout 2025-26 was ensuring the organisation had the capability, systems and expertise required to support future growth and meet evolving regulatory expectations.

A dedicated compliance function was established through the appointment of a Chief Compliance Officer together with additional compliance resources. Significant work was also undertaken to review policies, procedures and governance frameworks across the organisation.

Importantly, this work was not simply about regulatory compliance. It provided an opportunity to review existing practices, strengthen organisational capability and position Protect for its next stage of development.

The organisation also completed a comprehensive review of its Risk Management Framework, ensuring that risk oversight arrangements remain contemporary, effective and aligned with Protect's operational environment.



OUR PEOPLE

Protect's achievements during the year were made possible by the commitment and professionalism of our employees.

The demands placed upon staff continued to increase as membership grew, claim activity remained elevated and organisational improvement initiatives progressed. Throughout these challenges, employees remained focused on delivering high-quality service and supporting members.

The organisation continued to invest in staff development through a broad range of training programs covering privacy, cyber security, complaints management, conflicts management and regulatory compliance. These programs strengthened capability across the organisation while supporting a culture of continuous improvement.

Protect also maintained limited working-from-home arrangements on a rostered basis, providing flexibility for employees while preserving collaboration, team engagement and service standards.

As Protect continues to grow, attracting, developing and retaining skilled employees will remain a key organisational priority.

MICHAEL CONNOLLY
PROTECT CEO



INDUSTRY ENGAGEMENT

Protect's success is built upon strong relationships with members, employers, unions and industry stakeholders.

Throughout the year, Field Officers continued to engage directly with workplaces, training facilities and industry events to ensure members understood the services available through Protect and employers received assistance in meeting their obligations.

These relationships remain an important part of Protect's service model and provide valuable insight into the changing needs of industries and members.

Following year end, additional Field Officer resources were appointed in New South Wales and Western Australia to strengthen support for members and employers in two of Protect's fastest-growing jurisdictions.



LOOKING FORWARD

The year ahead will present new opportunities as Protect continues to evolve and grow.

Management's focus will remain on maintaining high service standards, strengthening organisational capability and ensuring Protect continues to meet the expectations of members, employers, regulators and other stakeholders.

Investment in technology, compliance capability, employee development and member services will remain key priorities. We will also continue to identify opportunities to improve efficiency while preserving the personal service and practical support that have always been central to Protect's culture.

The organisation enters 2026-27 in a strong position. Membership is growing, service standards remain high and Protect is supported by committed employees, experienced leadership and strong relationships across the industries we serve.

ACKNOWLEDGEMENTS

I would like to thank the Board of Directors for their support and guidance throughout the year.

I also thank our sponsoring organisations, employers, unions, service providers and industry partners for their ongoing support and collaboration.

Most importantly, I thank all Protect employees for their efforts throughout the year. The professionalism, adaptability and commitment demonstrated by our staff has enabled Protect to manage growth, deliver excellent service and continue strengthening the organisation for the future.

As we move into our twenty-sixth year, Protect remains focused on its core purpose: protecting workers' entitlements and supporting members and their families when assistance is needed most.

STRATEGY AND PURPOSE

OUR PURPOSE

Protect exists primarily to safeguard members' severance entitlements and financial security by preserving capital and administering trusted protection arrangements.

Secondarily to administer and service group income protection insurance arrangements on behalf of union policyholders; and, where appropriate, to provide targeted welfare services that directly complement those core activities.

We fulfil this purpose by:

- administering secure redundancy and severance arrangements;
- facilitating group income protection insurance on behalf of union policyholders;
- providing access to counselling and other services that support the wellbeing of members and their families; and
- helping employers understand and meet their obligations to Protect.

OUR VISION: To be Australia's leading worker entitlement fund, trusted by members, employers and industry partners to protect workers' entitlements and provide dependable support when it is needed most. We pursue this vision by focusing on five strategic priorities.

1. GROWTH

We seek to be the fund of choice for workers and employers in the industries we serve.

OUR GROWTH PLAN FOCUSES ON:

- strengthening relationships with members, employers, unions and industry partners;
- delivering services that respond to the needs of existing and prospective participants;
- extending Protect's services where there is a clear industry need and alignment with our purpose; and
- supporting sustainable growth across Australia and, where appropriate, New Zealand.

2. CUSTOMER SERVICE & EFFICIENCY

We aim to make every interaction with Protect responsive, secure, accurate and efficient.

OUR CUSTOMER AND EFFICIENCY PLAN FOCUSES ON:

- providing prompt and reliable service to members and employers;
- making it straightforward for members to access their entitlements and support services;
- using contemporary technology to deliver secure and accessible services;
- maintaining practical and efficient operational processes; and
- ensuring the organisation has the people, systems and resources required to maintain high service standards as it grows.

3. GOVERNANCE

We are committed to strong governance, responsible decision-making and the careful management of members' entitlements and personal information.

OUR GOVERNANCE PLAN FOCUSES ON:

- meeting our legal, regulatory and fiduciary obligations;
- maintaining effective oversight, risk management and internal controls;
- protecting member and employer information through strong privacy and cyber security practices;
- maintaining clear policies, procedures and business rules;
- supporting an organisation-wide culture of compliance; and
- operating transparently and in the best interests of members.

4. PEOPLE AND COMMUNITY

We recognise that Protect's success depends on capable and committed employees, strong industry relationships and the confidence of the communities we serve.

OUR PEOPLE AND COMMUNITY PLAN FOCUSES ON:

- providing a safe, inclusive and supportive workplace;
- investing in employee capability and development;
- continuously improving the way we work;
- operating responsibly and sustainably;
- supporting organisations and initiatives that benefit workers and their communities; and
- ·remaining connected to the industries from which Protect has grown.

5. INVESTMENT & FINANCE

Protect's financial approach is centred on safeguarding members' entitlements and maintaining the long-term strength of the schemes.

OUR INVESTMENT AND FINANCE PLAN FOCUSES ON:

- preserving capital and protecting members' funds;
- maintaining sufficient liquidity to meet claims as they arise;
- investing prudently within the Board's approved risk settings;
- generating income and sustainable capital growth;
- meeting the reasonable costs of administering the schemes;
- maintaining an appropriate financial buffer against investment market fluctuations and other risks; and
- considering distributions only after members' entitlements and the schemes' financial obligations are fully provided for.

OUR VALUES

While our Strategy sets out what we aim to achieve, our values define how we work. They guide our interactions with members, employers, unions, service providers and each other. They also provide the foundation for Protect's culture and decision-making.

VALUE	WHAT IT MEANS	2025-26 EXAMPLES
Supportive	Available and responsive to members and each other.	High claim volumes processed while maintaining service standards; continued access to counselling and support programs.
Respectful	Fair, inclusive and considerate of differing viewpoints.	Ongoing engagement with members, employers, unions and service providers across multiple industries and jurisdictions.
Team	Working together to achieve better outcomes.	Cross-functional project teams implemented AFSL readiness initiatives, policy reviews and compliance improvements.
Ethical	Acting honestly, responsibly and in members' best interests.	Appointment of a Chief Compliance Officer, enhanced compliance resources and strengthened governance frameworks.
Improve	Continuously learning and improving.	Organisation-wide training covering privacy, cyber security, complaints handling, conflicts management and regulatory compliance.






MEMBERSHIP AND SERVICE PERFORMANCE

Electrical workers accounted for almost half of all actively employed members at 30 June 2026

Protect's continued growth reflects the confidence that workers, employers and industry organisations place in the services we provide.

At 30 June 2026, Protect supported more than 45,000 actively employed members across Australia and New Zealand through severance, income protection and member support arrangements. Membership growth continued throughout the year, while claims activity remained at historically high levels.

The following indicators provide an overview of Protect's membership profile, claims activity and service delivery performance during 2025-26.

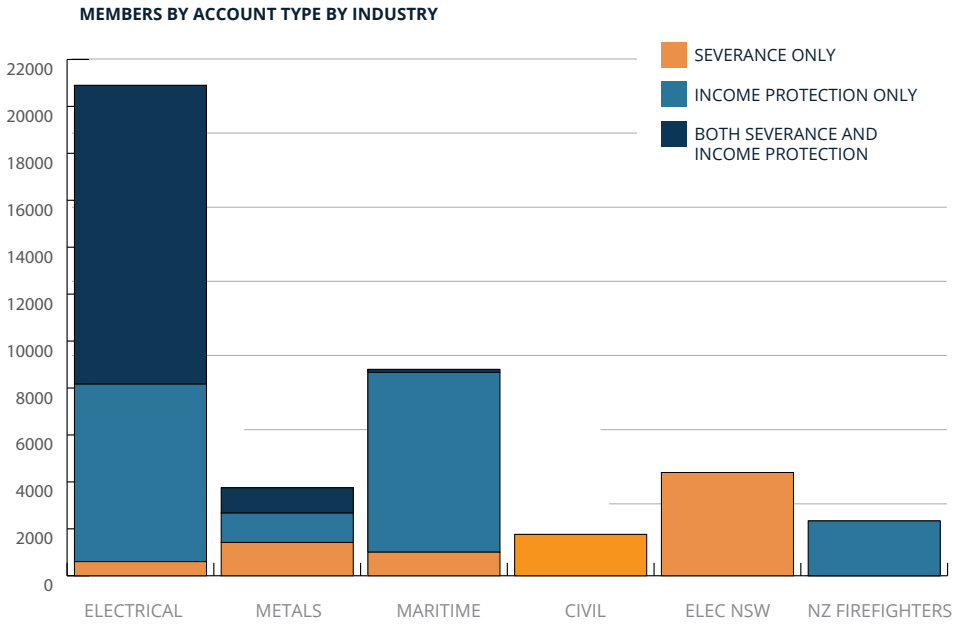
GROWING MEMBERSHIP ACROSS MULTIPLE INDUSTRIES

Protect's membership is drawn from a diverse range of industries, with the electrical sector continuing to represent the largest component of the membership base.

Electrical workers accounted for almost half of all actively employed members at 30 June 2026, reflecting Protect's origins within the industry and its ongoing close relationship with employers, unions and workers in the sector.

Continued growth was also recorded across NSW electrical workers, maritime, metals, civil construction and New Zealand insurance administration, demonstrating the increasing diversity of the membership base and the broader application of Protect's services.

A more diversified membership profile provides greater resilience, reduces reliance on any single industry sector and supports the long-term sustainability of the schemes.



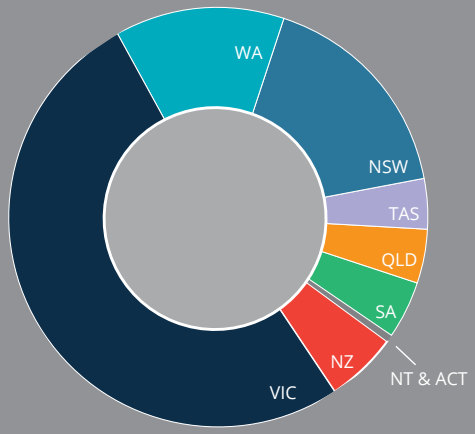
MEMBERSHIP BY ACCOUNT TYPE

Protect administers a range of severance and income protection arrangements tailored to the needs of participating industries. The majority of members participate in both severance and income protection schemes, particularly within the electrical industry. Other industries maintain arrangements that reflect their specific industrial and employment environments.

EMPLOYED WORKERS BY INDUSTRY



EMPLOYED WORKERS BY STATE: JUNE 2026



MEMBERSHIP BY LOCATION

Protect has evolved from a Victorian-based organisation into a national provider of employee entitlement and income protection services.

Victoria remains the largest membership base, representing approximately 52% of actively employed members. However, significant growth has occurred outside Victoria, particularly New South Wales and Western Australia, which together now account for almost one-third of all active members.

The continued expansion of Protect's interstate membership reflects both growth within existing industries and increasing recognition of the value provided by Protect's services.

To support this growth, additional Field Officers resources were appointed in New South Wales and Western Australia following year end.

CLAIMS ACTIVITY

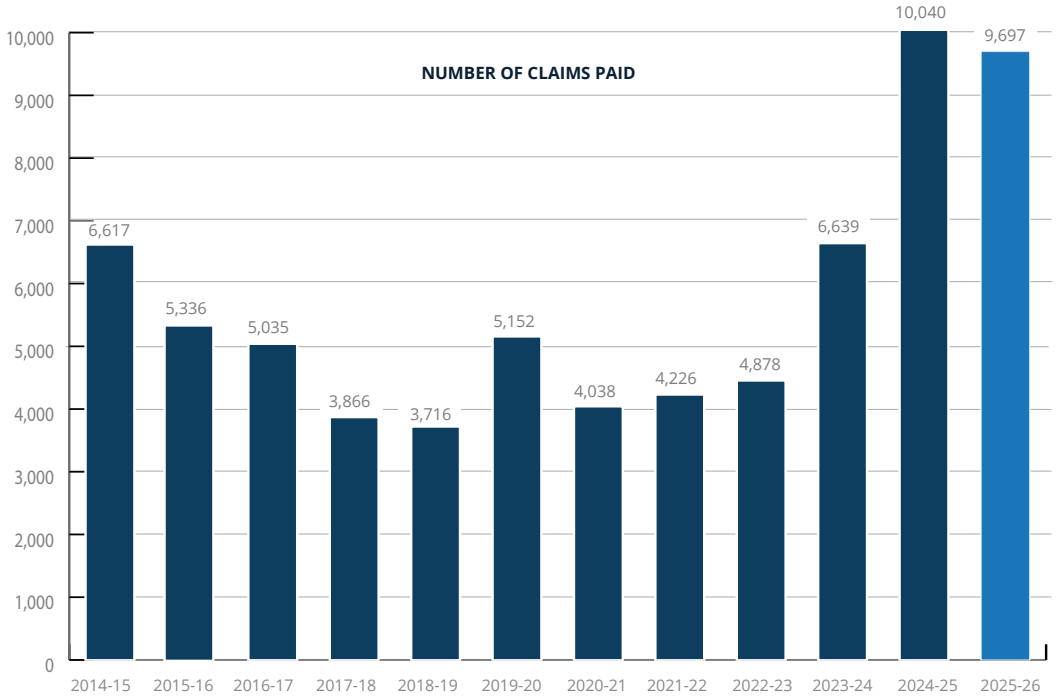
The processing and payment of member claims remains Protect's principal operational responsibility.

During 2025-26, Protect processed 9,697 claims for workers. While this represented a modest decline from the record level experienced during the previous year, claims activity remained substantially above long-term averages.

Over the past four years, annual claims volumes have increased by almost 50%, reflecting growth in membership, workforce mobility and project completion activity across several industries.

Despite these elevated volumes, Protect continued to maintain prompt processing timeframes and a strong focus on service delivery.

The ability to process large volumes of claims efficiently remains an important measure of organisational performance and ensures members receive timely access to their entitlements when they need them.













DIGITAL SERVICES

Online lodgement remained the preferred method of submitting claims during 2025-26, with approximately 80% of all claims received electronically through Protect's website and mobile application.

While this was slightly below the exceptionally high levels experienced during the previous three years, it represents a significant increase when compared with historical trends. A decade ago, fewer than one-third of claims were submitted online.

The continued growth in digital service utilisation reflects ongoing investment in technology and demonstrates members' increasing preference for secure and convenient online access to services.

Protect remains committed to maintaining alternative service channels for members who require personal assistance or prefer traditional methods of communication.

Digital engagement continues to transform the way members access Protect's services

ALL CLAIMS	ONLINE	PAPER
2016-17	28%	72%
2017-18	48%	52%
2018-19	52%	48%
2019-20	53%	47%
2020-21	67%	33%
2021-22	68%	32%
2022-23	83%	17%
2023-24	85%	15%
2024-25	84%	16%
2025-26	80%	20%

Income protection arrangements continue to form an important component of Protect's overall service offering

INCOME PROTECTION MEMBERSHIP

The majority of electrical industry members participate in both severance and income protection schemes, while Protect also administers specialised arrangements for metals, maritime workers and New Zealand firefighter and maritime worker groups.

These arrangements provide financial support to members experiencing illness or injury and complement Protect's core severance and redundancy services.

The continued growth in income protection participation reflects the importance members place on income security and workplace protection.

SUPPORTING MEMBERS BEYOND FINANCIAL BENEFITS

Protect's support for members extends beyond the administration of severance and income protection benefits. Members and their families continued to have access to confidential counselling and wellbeing services through the Protect Counselling Program delivered by Hunterlink. These services provide support across a range of personal, family, workplace and financial matters.

LOOKING AHEAD

Protect remains focused on delivering responsive, accessible and efficient services to members. Continued investment in technology, service delivery capability and workplace engagement will help ensure Protect remains well positioned to support a growing membership base while maintaining the high level of service expected by members, employers and industry stakeholders.

As membership continues to grow across Australia and New Zealand, Protect's commitment to protecting workers' entitlements and providing practical support when needed remains unchanged.

MEMBER FUNDS AND FINANCIAL MANAGEMENT

The financial information presented in this Annual Report represents a summarised and consolidated view of Protect's two severance funds. Full audited financial statements for each fund are published separately on Protect's website in accordance with the requirements applicable to employee entitlement funds.

Protect's primary responsibility is to safeguard members' entitlements and ensure sufficient assets are available to meet current and future benefit obligations.

The Trustees maintain a prudent approach to financial management, balancing capital preservation, liquidity and long-term investment performance. This approach is designed to ensure that member benefits remain secure while supporting the ongoing sustainability of the schemes.

At 30 June 2026, the Protect funds held total assets of $546.3 million, supporting member liabilities and other obligations of $527.2 million.

The Board regularly reviews the financial position of the schemes to ensure that members' entitlements remain fully protected and that the funds retain sufficient liquidity to meet claims as they fall due.

PROTECTING MEMBERS' ENTITLEMENTS

Protect was established to operate severance and redundancy funds that provide workers with a secure entitlement during periods of unemployment.

While the schemes were originally established for workers within the electrical industry, they now support employees across a broader range of industries throughout Australia.

The use of a centralised severance fund provides a level of protection that would not normally be available if entitlements were retained solely by individual employers. Employer contributions are paid regularly into independently managed trust funds, reducing the risk that entitlements could be lost if an employer experiences financial difficulty or becomes insolvent.
The importance of this protection has been reinforced in recent years as many sectors, particularly construction and contracting industries, have continued to experience challenging economic conditions, workforce shortages, project delays and business failures.

Employer contributions are invested and professionally managed throughout a member's period of employment, ensuring funds remain available when benefits become payable.

PROTECT PROVIDES TWO PRINCIPAL CATEGORIES OF BENEFIT:

1. **GENUINE REDUNDANCY PAYMENTS** support members whose employment ceases as a result of redundancy and may include concessional taxation treatment where the relevant legislative requirements are satisfied.

2. **VOLUNTARY TERMINATION PAYMENTS** may be available in a broader range of circumstances, including resignation, retirement or promotion "off the tools", and are generally subject to normal taxation requirements.

During the previous year, Protect implemented administrative changes arising from updated Australian Taxation Office guidance relating to Genuine Redundancy Payments. These arrangements operated successfully throughout 2025-26 and continue to support the efficient administration of member benefits.

EMPLOYER CONTRIBUTIONS

Employer contributions remain the foundation of the Protect schemes and provide the resources necessary to support members' severance and related benefits.

Employer contributions to the severance scheme totalled $154.5 million during the year, marginally down from $170.0 million in 2024–25 due to members making less transfers in from other funds.

Contribution income continued to reflect strong employment levels across many of the industries represented within Protect's membership base. Ongoing growth in active membership, particularly in the electrical, maritime and New South Wales electrical divisions, contributed positively to contribution inflows during the year.

Protect maintains systems and processes designed to support employers in meeting their obligations efficiently and accurately. Field Officers and Member Services staff continue to work closely with employers to ensure contribution requirements are understood and administered effectively.

INVESTMENT STRATEGY

Protect's investment strategy is centred on a simple objective: protecting member entitlements while generating sustainable long-term returns.

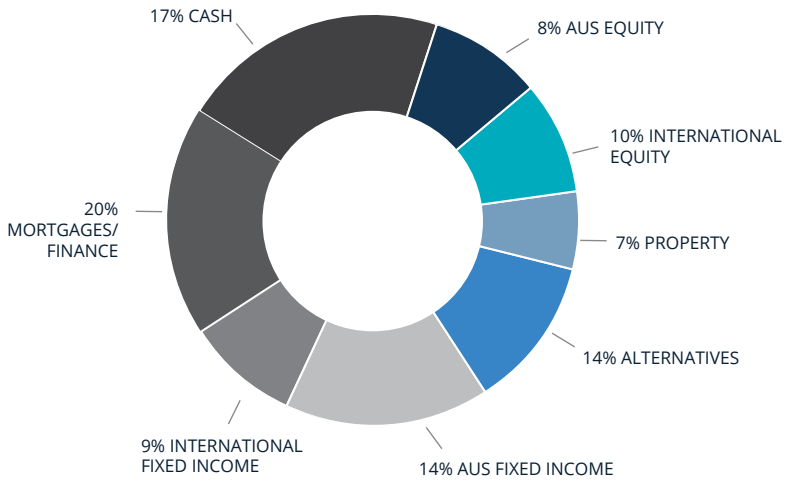
The Board adopts a diversified investment approach that balances three key priorities:

- preservation of capital;
- maintenance of sufficient liquidity to meet benefit obligations; and
- generation of long-term investment returns.

Investment activities are undertaken in accordance with the Board's Investment Policy and are reviewed regularly with the assistance of independent investment advisers.

The Board recognises that investment markets will inevitably experience periods of volatility. A diversified portfolio helps reduce exposure to individual asset classes and supports more consistent outcomes over the long term.

ASSET ALLOCATION: 30 JUNE 2026



ASSET ALLOCATION

At 30 June 2026, Protect maintained a broadly diversified investment portfolio across cash, fixed income, mortgages and finance, Australian and international equities, property and alternative investments.

Cash and fixed income investments continued to provide liquidity and stability, while exposure to Australian and international equities, property and alternatives supported long-term capital growth objectives.

Mortgages and finance investments remained an important component of the portfolio, providing diversification and consistent income generation.

The Board regularly reviews the strategic asset allocation to ensure it remains aligned with the funds' objectives, liquidity requirements and risk tolerance.

INVESTMENT PERFORMANCE

Investment markets experienced both opportunities and challenges during 2025-26 as investors responded to changing economic conditions, inflation expectations and geopolitical developments.

Despite periodic market volatility, Protect's diversified investment strategy continued to support the long-term objectives of the funds.

The investment portfolio generated a return of 6.55% during 2025-26, compared with 5.92% in the previous year.

Investment performance is monitored regularly against agreed benchmarks and reviewed with independent investment advisers to ensure alignment with the objectives established by the Trustees.

INCOME PROTECTION INSURANCE

In addition to its severance and redundancy activities, Protect administers group income protection arrangements on behalf of participating unions and policyholders.

These arrangements provide important financial support for members who are unable to work due to illness or injury and complement Protect's broader member support framework.

Protect currently administers income protection arrangements covering workers in the electrical, metals and maritime industries together with firefighters and maritime workers in New Zealand.

Protect's responsibilities include premium collection, member administration and communications, claims support (not claims processing) and liaison with insurers and policyholders.

Income protection insurance forms an important part of Protect's overall service offering, helping provide financial security for members and their families when unexpected illness or injury prevents a return to work.

FINANCIAL STRENGTH

Protect's long-standing approach to prudent financial management continues to provide a strong foundation for the schemes.

The Trustees remain focused on ensuring that:

- member entitlements are fully protected;
- sufficient liquidity is maintained to meet claims;
- investment risks are appropriately managed;
- operating costs are controlled and monitored; and
- the schemes remain financially sustainable over the long term.

The Board remains confident that Protect is well positioned to meet its obligations to current and future members while continuing to adapt to changing economic, industry and regulatory conditions.





GOVERNANCE, RISK AND COMPLIANCE

Strong governance is fundamental to Protect's ability to safeguard members' entitlements, maintain stakeholder confidence and ensure the long-term sustainability of the schemes

GOVERNANCE FRAMEWORK

The Board is responsible for the overall governance of Protect and provides strategic direction, oversight and accountability for the management of members' funds and the delivery of services to members, employers and sponsoring organisations.

Protect's governance framework is designed to support:

- sound decision-making;
- prudent financial management;
- effective risk oversight;
- regulatory compliance;
- protection of member information; and
- responsible stewardship of members' funds.

During 2025-26, governance remained a major focus as Protect prepared for the introduction of the Australian Financial Services Licence (AFSL) framework for employee entitlement funds.

The Board and Management undertook a significant body of work to ensure Protect's governance arrangements align with the expectations applying to financial services organisations and employee entitlement fund operators. This work included reviews of governance structures, policies, regulatory obligations, reporting arrangements and risk frameworks.

As part of this process, the corporate structure was simplified through the appointment of a single trustee company, Protect Severance Scheme No. 2 Pty Ltd (PSS2), as the Operator of the proposed AFSL and trustee of both severance funds.

This structure provides clearer accountability, simplifies governance arrangements and avoids duplication of regulatory obligations across the two schemes.

The Board is supported in its responsibilities by the:

- Audit & Risk Committee;
- Investment Committee; and
- Human Resources & Remuneration Committee.

Each committee assists the Board by providing detailed oversight and advice within its area of responsibility.

The Board also completed an internally managed governance effectiveness review during the year through a Director survey and individual discussions with Directors. The review provided positive feedback regarding Board performance and identified opportunities for continued improvement.

Protect remains committed to continuously reviewing and strengthening its governance arrangements to ensure they remain effective, transparent and fit for purpose.

COMPLIANCE FRAMEWORK

The increasing regulation of employee entitlement funds has reinforced the importance of maintaining a strong and well-resourced compliance function.

During 2025-26, Protect undertook a substantial compliance uplift program in preparation for the introduction of the AFSL framework.

A key initiative was the establishment of a dedicated compliance function through the appointment of an executive level Chief Compliance Officer, together with additional compliance resources. This represents one of the most significant enhancements to Protect's governance and control environment in recent years.

The Compliance Framework provides a structured approach to:

- identifying and managing compliance obligations;
- monitoring compliance risks;
- maintaining policies and procedures;
- managing regulatory change;
- supporting staff awareness and capability;
- reporting and escalating compliance matters; and
- promoting a culture of accountability throughout the organisation.

The framework applies across all operational areas and supports the Board and management in meeting their legal, regulatory and fiduciary obligations.
AFSL Readiness

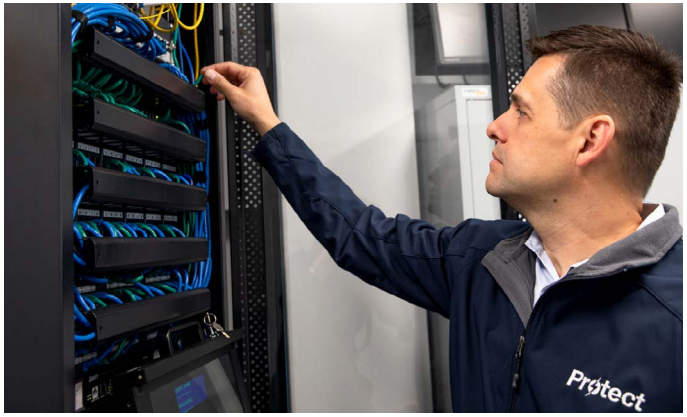
Throughout the year, Protect completed a detailed review of systems, processes and governance arrangements to ensure readiness for operation within the AFSL environment.

This work included enhancements to:

- governance and accountability arrangements;
- compliance monitoring activities;
- complaints handling processes;
- risk management systems;
- conflicts management arrangements;
- policy and procedure frameworks;
- record-keeping processes; and
- regulatory reporting obligations.

These activities were designed not only to achieve regulatory readiness, but also to strengthen the overall control environment of the organisation.

CYBER SECURITY AND INFORMATION PROTECTION



Protect recognises that safeguarding member information is a critical governance and compliance responsibility.

The organisation continued to maintain strong cyber security and information protection practices throughout the year.

Protect successfully maintained its Essential Eight cyber security certification and continued to enhance information security controls, recognising the increasing importance of cyber resilience across all industries.

Regular security reviews, privacy controls, cyber awareness activities and technology investments help protect sensitive member information and support the ongoing integrity of Protect's systems and services.

BUILDING A COMPLIANCE CULTURE

Effective compliance relies on organisational culture as much as policies and procedures.

During 2025-26, Protect delivered organisation-wide training programs covering:

- privacy obligations;
- cyber security awareness;
- conflicts of interest;
- complaints handling requirements;
- regulatory obligations; and
- compliance responsibilities.

Additional education was provided to ensure employees understand the distinction between factual information, general advice and personal advice, and their responsibilities when interacting with members under the evolving regulatory framework.

These initiatives support Protect's objective of ensuring compliance remains embedded throughout the organisation rather than being confined to a specialist function.

RISK MANAGEMENT FRAMEWORK

During 2025-26, Protect undertook a comprehensive review of its long-standing Risk Management Framework.

The review provided an opportunity to assess existing practices, strengthen governance arrangements and ensure the framework remained aligned with contemporary risk management principles and emerging regulatory expectations.

The Risk Management Framework is designed to support the identification, assessment, management and monitoring of risks that may affect the achievement of the organisation's objectives.

The revised framework further strengthens Protect's approach to risk oversight while maintaining a practical and proportionate focus appropriate to the size and complexity of the organisation.

The framework addresses a broad range of risk categories, including:

- strategic risk;
- governance risk;
- compliance risk;
- operational risk;
- financial and liquidity risk;
- data and cyber security risk;
- privacy risk;
- HR and conduct risk

Risk ownership exists throughout the organisation, with employees, management and the Board all contributing to the identification and management of risk.



The Audit & Risk Committee receives regular reports regarding the organisation's risk profile, emerging issues, incidents, controls and mitigation activities. The Board reviews risk management performance on an ongoing basis to ensure appropriate oversight is maintained.

Protect seeks to manage risk effectively rather than eliminate it entirely, recognising that responsible risk-taking is necessary to achieve strategic objectives and support organisational growth.

RISK CULTURE

Protect recognises that effective risk management depends on people as much as processes.

Management continues to promote a culture in which employees understand their responsibilities, actively identify emerging risks and contribute to the ongoing improvement of organisational controls.

The organisation's training, reporting and governance processes encourage early identification of issues and support informed decision-making throughout Protect.

CONFLICTS MANAGEMENT

MANAGING CONFLICTS OF INTEREST

Protect is committed to identifying and managing conflicts of interest in a transparent, fair and effective manner.

The Board recognises that maintaining stakeholder confidence requires decisions to be made objectively and in the best interests of members and beneficiaries.

Protect's Conflicts Management Framework is designed to ensure that actual, potential and perceived conflicts are identified, assessed and appropriately managed.

The framework supports:

- early identification of conflicts;
- transparent disclosure of interests;
- appropriate documentation and record keeping;
- implementation of suitable management actions; and
- ongoing monitoring and review.

Directors, executives and employees are required to disclose relevant interests and comply with Protect's conflicts management policies and procedures.

Where a conflict is identified, appropriate management strategies may include disclosure, restriction of participation in discussions, exclusion from decision-making processes or other measures considered necessary to maintain the integrity of decision-making.

As part of Protect's broader regulatory readiness program, conflicts management arrangements were reviewed and enhanced during the year to ensure alignment with AFSL obligations and ASIC regulatory expectations.

THE PROTECT BOARD

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

Two independent Directors,
including an independent Chairman

Two Directors are nominated to represent the National Electrical and Communications Association Victorian Chapter (NECA)

Three Directors represent the Electrical Trades Union in Victoria (ETU)





MARK ENGEMAN

Independent Director, Independent Chairman

Mark Engeman's background is in financial markets. He was appointed to the Protect Board as an Independent Director in April 2019 and became Board Chairman on 1 September 2023. Mark is also Chair of Protect's Investment and Finance Committee and until 30 August 2023 was Chair of Protect's Audit and Risk Committee.

Mark's experience comes from a range of financial market and technology roles with CRA Limited, State Bank Victoria, Australian Wheat Board and SunGard data systems. Most recently he was the Deputy Managing Director and Corporation Secretary at Treasury Corporation Victoria.

Holding both a Bachelor of Economics from Monash University and an MBA from Melbourne Business School, Mark is also a member of the Australian Institute of Company Directors (GAICD) and a CPA.

Read the Chairman's Review



SUE CARTER

Independent Director

Sue joined the Board in February 2016 and in October 2019 took over as Board Chair. After four years in the role, Sue stepped aside as Chair and remains on the Protect Board as an Independent Director. From 1 September 2023 Sue became Chair of the Audit & Risk Committee.

A Chartered Accountant, Sue previously worked with KPMG in the UK and at ANZ Funds Management in senior finance roles. She is a past ASIC Regional Commissioner for Victoria and past director of several companies including the Professional Indemnity Insurance Company Australia, Aware Super, ANZ Australian Staff Superannuation and Treasury Corporation of Victoria.

Sue is currently a director of Equine Pathways Australia and Odyssey House Victoria. Sue is a past Australian Institute of Company Directors (AICD) Company Director's Course facilitator in directors' duties, financial reporting, decision-making and Board processes.

A Fellow of the AICD (FAICD), Sue holds a master's degree in Organisation Psychology from RMIT and a Graduate Diploma in Applied Finance and Investment.



DANNY FILAZZOLA
Director representing the ETU

Danny was appointed to the Protect Board in October 2017, the same year he was elected President of the Electrical Trade Union Victorian Branch. Previously a shop steward, Training Officer and Organiser, Danny chairs the ETU State Council and serves as a Divisional and National Councillor. Danny sits on the ETU FARR (The Finance, Audit, Risk and Remuneration) Committee and is a Board Member of the Centre for U.

Additionally, Danny is a Board Member of Future Energy Skills, a not-for-profit industry led organisation serving and working in partnership with Victoria's electro-technology, electricity generation and supply, gas supply and new energy technology sectors. He also sits on several State Government Committees.



IVAN BALTA
Director representing the ETU

Appointed to the Protect Board in March 2023, Ivan has over 40 years of experience in the electrical industry.

In 2006 Ivan became a Branch Organiser with the ETU Victorian Branch representing electrical workers in the contracting industry sector.

In 2015, Ivan was appointed as Assistant Secretary where he organised in the CBD and Docklands - areas that have the highest concentration of large-scale developments in Victoria. Ivan now heads up the new infrastructure division which oversees all the major projects in Victoria worth billions of dollars.

Ivan is a qualified company Director and is a member of the ETU VIC Finance & Risk Committee and serves as a Divisional Councillor.



ALISTAIR DAVEY
Director representing the ETU

Appointed to the Protect Board in August 2026, Allister (Al) Davey brings 23 years of construction industry experience, including extensive work in workplace representation, industrial relations, and occupational health and safety.

For the past six years, Al has worked as a Contracting Industry Organiser with the Electrical Trades Union (ETU), representing members across the contracting sector in Victoria. Before that, he spent five years as a Site Delegate and Health and Safety Representative (HSR), advocating for workers and promoting safe work environments.

Al brings to the Protect Board a strong understanding of the electrical contracting industry, workplace conditions and the needs of workers, together with practical experience in union representation and member advocacy.



TROY KNIGHT
Director representing the ETU
(Resigned May 2026)

Appointed to the Protect Board in March 2025; Troy is an Industrial Organiser at the ETU Victoria, serving as Head of Contracting and organising contracting projects from the Western Suburbs to Portland.



MICHAEL PURNELL

Director representing NECA

Mike was appointed as a Director of Protect in July 2015. He is a NECA Councillor and a Life Member of the NECA Victorian Branch.

As a Director, Mike currently serves on several Boards in the commercial and not-for-profit environment. He is an experienced Director, General Manager, Regional Chief Financial Officer, and Corporate Advisor. Much of that experience was as a General Manager in the electrical contracting industry with Nilsen (Vic) for 13 years. He has a finance/accounting background being a CPA and is a member of the Australian Society of Accountants and Australian Institute of Company Directors.



STEWART JOYCE

Director representing NECA

(Resigned March 2026)

Stewart joined the Protect Board in March 2024. He has over 35 years' experience in electrical and mechanical industries, working in not for profit, private and publicly listed ASX business environments. He holds a technical A grade electrical licence in addition to MBA business qualifications.

COMMITTEES

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

Protect's Board operates several Sub-Committees. Each operates within a documented charter outlining the Committee's composition and role.

Committees generally do not have decision-making authority, unless a specific delegation is provided by the Board. Recommendations are made by the Committee to the Board.

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

INVESTMENT COMMITTEE (I)

Four directors, Engeman, Carter, Filazzola and Purnell sit on this Committee. An advisor from Pitcher Partners Investment Services attends most meetings to update the on-investment performance and recommend changes to the investment portfolio to the Committee. The Committee meets at least four times each year. Mark Engeman chaired the Committee during the year.

AUDIT AND RISK COMMITTEE (A&R)

Four directors, Engeman, Carter and Joyce (until resigned) sit on this Committee. Mike Purnell replaced Stewart Joyce on this Committee. The 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 chaired this Committee during the year.

HR & REMUNERATION COMMITTEE (HR&REM)

Directors, Carter, Engeman, Purnell and Balta sit on this Committee. The Committee discusses the remuneration of directors, management and staff as well as policies. Mark Engeman chairs this Committee.

MEETING ATTENDANCE

MEETINGS ATTENDED / MEETINGS HELD

	Board	I	A&R	HR&REM
Carter	8/8	3/3	3/3	2/2
Engeman	8/8	3/3	3/3	2/2
Filazzola	8/8	3/3	3/3	
Balta	6/8	1/1		2/2
Purnell	8/8	3/3	3/3	2/2
Knight#	7/8	1/1	1/1	
Joyce##	5/5	1/1	1/1	

Resigned post year end (May 2026)
Resigned 4 March 2026

CONFLICT MANAGEMENT

Protect has a conflict management policy which was reviewed and confirmed by the Board during the year. 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 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 the matter and ensure that adequate risk mitigation controls and activities are in place.

EXECUTIVE TEAM



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.

Michael holds a Bachelor of Commerce, a Graduate Diploma in Applied Finance and Investment and is a Graduate of the Australian Institute of Company Directors.

View the CEO's Review



SELENE SHARP
Chief Financial Officer
and Company Secretary

Selene joined Protect in January 2010 when Protect's administration was brought in-house. Selene holds a Bachelor of Business and is a Chartered Accountant. Prior to working at Protect, Selene worked for two of Australia's top accounting firms achieving the level of Client Director.

Selene was appointed Company Secretary on 14 March 2017.



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.



PAULO RAMOS
Chief Technology Officer

Paulo joined Protect in October 2010, having previously held IT management roles in the finance and banking sectors. He holds a Bachelor of Computer Science and a Graduate Certificate in Cyber Security Governance and Risk Management.

Appointed Chief Technology Officer in 2022, Paulo leads Protect's technology strategy, cybersecurity, digital transformation and IT governance, ensuring alignment with the organisation's strategic objectives and regulatory requirements.

With extensive experience in technology leadership, cloud infrastructure, information security and project management, Paulo has played a key role in modernising Protect's technology environment and strengthening its operational resilience.

He also spearheaded Protect's Carbon Neutral Project, leading the organisation to achieve Climate Active Carbon Neutral Organisation certification in 2017 and maintain it in subsequent years.



LISA KOIKAS
Chief Operations Officer

Lisa joined Protect as a Member Services Officer in June 2008.

In 2010, Protect's administration was brought in-house, and Lisa commenced as the Member Services Team Leader, later promoted to Administration Manager and, most recently, Chief Operations Officer.

With extensive experience in the finance and banking sector, Lisa is responsible for the management of the Member Services Team, including the functionality and improvement of the IT CRM system ensuring Protect members and employers receive professional, accurate and timely service.



GLENN JANES
Chief Compliance Officer

Glenn joined Protect in late 2009 and brings extensive experience in the electrical and construction industries. A qualified electrician, he spent 12 years working on commercial and industrial construction projects across Victoria, Western Australia and Queensland. From 2004, he served as a union Site Delegate on several construction projects, developing valuable experience in workplace representation, industrial relations and OHS..

Since joining Protect, Glenn has held several roles, including Field Officer, Compliance Coordinator and Chief Compliance Officer. He holds a Master of Employment Law, Bachelor of Arts (History and Politics), Advanced Diploma in Occupational Health and Safety, Diploma in Occupational Health and Safety, and Certificate IV in Education and Training.

Glenn currently serves as Chief Compliance Officer, overseeing industrial compliance and regulatory compliance obligations under Protect's Australian Financial Services Licence (AFSL).

PROTECT IN THE COMMUNITY

Protect's purpose extends beyond administering member entitlements. As an organisation established to support workers and their families, Protect seeks to contribute positively to the industries, communities and organisations connected to our membership. This commitment is reflected through support for workforce development, mental health initiatives, disability sport and community organisations that promote wellbeing, participation and inclusion.

CELEBRATING 25 YEARS OF PROTECT

During 2025-26, Protect celebrated its 25th anniversary.

What began as a severance and redundancy fund for Victorian electrical workers has grown into a national organisation supporting workers across multiple industries and jurisdictions throughout Australia and New Zealand. Over the past twenty-five years, Protect has evolved to provide severance benefits, income protection administration, counselling services and a range of member support programs.

The anniversary provided an opportunity to reflect on the contribution of the many people and organisations that have helped shape Protect's development, including members, sponsoring organisations, employers, unions, Directors, service providers and staff.

While Protect has expanded considerably since its establishment, its core purpose remains unchanged: protecting workers and supporting members and their families through periods of unemployment, injury, illness and personal hardship.

Protect 25 what matters



MENTAL HEALTH AND WELLBEING

The health and wellbeing of members remains an important priority for Protect. Many members work in physically demanding and project-based industries where periods of unemployment, injury, illness or personal hardship can create significant challenges for workers and their families. Protect therefore continues to support initiatives that encourage awareness, early intervention and access to professional support services.

During the year, Protect hosted its annual Mental Health Dinner, bringing together representatives from unions, employers, industry organisations, service providers and the broader community. The event raised significant funds for mental health initiatives and community support programs while also helping promote awareness of mental health issues across the industries in which Protect operates.

Protect also continued to provide access to counselling and wellbeing services through its partnership with Hunterlink. Through the Protect Counselling Program, members and their families can access confidential counselling and support services covering a broad range of personal, family, workplace and financial issues.

The Protect Counselling Program recognises that practical support extends beyond financial assistance and that timely access to professional counselling services can have a positive impact on the wellbeing of members and their families.

Protect Counselling

SUPPORTING WORKERS THROUGH ADDICTION RECOVERY

Protect continued its support of the Australian Drug and Alcohol Association (ADAA) and its important work in preventing and addressing substance abuse issues within workplaces and the broader community.

The challenges associated with alcohol and other drug dependency can have significant consequences for workers, families and employers. ADAA's education, awareness and support initiatives help individuals and organisations better understand these issues and access appropriate assistance when required.

Protect's support reflects a broader commitment to promoting healthier workplaces and supporting the wellbeing of workers both on and off the job.

ada AUSTRALIA

SUPPORTING SKILLS AND INDUSTRY DEVELOPMENT

Protect recognises that strong industries and secure employment opportunities benefit both workers and employers.

During the year, Protect continued its support for Future Energy Skills, which provides training, apprenticeship and workforce development initiatives for the electrical industry. As the energy sector continues to evolve, workforce capability and skills development remain critical to ensuring workers are equipped to participate in emerging industries and technologies.

By supporting Future Energy Skills, Protect contributes to the development of future tradespeople and assists in building a skilled workforce capable of meeting the changing needs of the industry.

SUPPORTING DISABILITY SPORT

Protect maintained its long-standing commitment to disability sport during 2025-26.

For many years, Protect has supported programs that promote participation, inclusion and opportunity for people living with disability. These partnerships recognise the important role that sport and recreation can play in improving physical health, wellbeing, confidence and community connection.

During the year, Protect continued its support of wheelchair rugby following the transition of responsibility for the Victorian wheelchair rugby program from Disability Sport & Recreation to Wheelchair Rugby Australia.

Protect also continued its longstanding partnership with Disability Sport & Recreation, supporting programs that help create opportunities for people with disability to participate in sport, recreation and community activities.

These partnerships reflect Protect's commitment to supporting organisations that deliver practical and meaningful outcomes for participants and their communities.

LOOKING AHEAD

Whether through workforce development, mental health programs, counselling services, addiction awareness initiatives, disability sport or community partnerships, Protect seeks to make a positive contribution to the industries and communities connected to our membership.

As Protect enters its next twenty-five years, we remain committed to supporting workers not only through financial security, but also through initiatives that promote wellbeing, opportunity, inclusion and resilience.





CARBON NEUTRAL SUMMARY

Over the past nine years, Protect has reported 579 tonnes of CO_2 emissions avoided, **comparable to the emissions associated with a year's electricity consumption for approximately 160 Victorian households**, and invested in more than 1,000 carbon offset units, supporting environmental projects both in Australia and internationally.

Established in 2016 through an employee-led working group, Protect's Carbon Neutral initiative has evolved into an important part of the organisation's sustainability journey. Over the past nine years, Protect has reported 579 tonnes of CO_2 emissions avoided through its carbon reduction initiatives and invested in more than 1,000 carbon offset units, supporting environmental projects both in Australia and internationally.

A key component of Protect's approach has been its partnership with the Aboriginal Carbon Foundation (AbCF), a not-for-profit organisation wholly owned by Aboriginal people. Through this partnership, Protect has supported Aboriginal-led carbon farming and cultural fire management projects, including the Fish River Station, Karlantijpa North Savanna Burning and Wulburjubur Cultural Fire projects in the Northern Territory.

These initiatives combine traditional Indigenous land management knowledge with contemporary environmental practices, using strategic early dry-season burning to reduce the impact of uncontrolled wildfires and associated greenhouse gas emissions. Beyond their environmental benefits, the projects contribute to meaningful employment for Aboriginal ranger groups, protection of culturally significant sites, preservation of traditional knowledge and sustainable economic opportunities for remote communities.

Protect has also supported international sustainability initiatives, including the WithOneSeed community forestry program in Timor-Leste, which promotes reforestation while providing local farming communities with opportunities for income generation, education and improved livelihoods.

During the reporting period, the Australian Government announced changes to the Climate Active program, including the conclusion of its current certification arrangements. As a result, the 2025–2026 financial year will represent Protect's final reporting period under the existing program, with the organisation preparing its final carbon neutral submission in pursuit of a tenth consecutive year of certification.



Nine years of community involvement and investment

In consultation with industry stakeholders, Protect is reviewing the future direction of its Carbon Neutral initiative following the conclusion of the government program. This review will consider opportunities to build on the achievements of the past decade while ensuring that future sustainability activities remain meaningful, measurable and aligned with Protect's organisational priorities.

Protect remains proud of its carbon neutral achievements and the positive environmental, cultural and social outcomes supported through this initiative. The program's legacy reflects a sustained commitment to responsible corporate citizenship and to making a meaningful contribution to communities and the environment.

Footnote: *The household electricity equivalency is an indicative calculation based on average Victorian household electricity consumption of approximately 4,600 kWh per year and the Australian Government's 2025–2026 Victorian electricity emissions factor of 0.78 kg CO_2-e/kWh. On this basis, 579 tonnes of CO_2-e is comparable to the annual electricity-related emissions of approximately 160 Victorian households. Actual emissions vary according to household consumption and electricity sources.*

Sources: *Australian Energy Regulator, Annual Retail Markets Report 2022–23; Department of Climate Change, Energy, the Environment and Water, National Greenhouse Accounts Factors 2025.*

FINANCIAL SUMMARY

The following financial summary presents the consolidated results of the Protect Severance Scheme (PSS) and the Protect Severance Scheme No. 2 (PSS2), together referred to as the Protect Group.

At 30 June 2026, the Protect Group held total assets of $546.3 million (2024–25: $490.9 million), with total liabilities of $527.2 million. Members' funds accounted for $500.8 million of these liabilities (2024–25: $451.4 million), representing amounts held to meet obligations arising from severance and redundancy claims.

For the year ended 30 June 2026, the Protect Group recorded a post-tax profit of $15.6 million (2024–25: $14.2 million). Investment revenue was the primary contributor to this result, totalling $35.3 million, which included $5.2 million in unrealised gains.

The Board of Trustees has continued to apply a conservative investment approach. In recent years, this included maintaining higher levels of cash to provide additional liquidity in anticipation of potential increases in redundancy activity. While those conditions did not eventuate to the extent anticipated, this approach supported the Group's strong liquidity position throughout the year.

Under the Trust Deeds, the Trustees may declare distributions to fund sponsors where assets exceed the amounts required to meet members' entitlements and other liabilities. These distributions are only made after confirming that members' funds remain fully protected and that assets continue to equal or exceed liabilities.

Based on this assessment, the Trustees declared trust distributions during the year totalling $10.4 million, allocated as follows:

- **EEIT** (ETU Vic related entity): $7.1million
- **VEID** (NECA Vic related entity): $2.3 million
- **AMWU Vic Branch:** $0.8 million
- **MUA WA Branch:** $0.1 million
- **ETU NSW/ACT Branch:** $0.4 million
- **AWU Vic Branch:** $0.1 million

Distributions paid to the ETU Victoria are directed to the ETU's special purpose trust, the *distress, hardship, welfare and training fund*. This trust operates under a deed that restricts expenditure to member support and training-related purposes and prevents use for political or industrial activities. Benefits provided through the fund include support for ambulance cover, funeral assistance, domestic violence services and training.

Distributions to NECA are directed to the Victorian Electrotechnology Industry Development (VEID) Trust, which supports industry training for apprentices and licensed electricians, assists with licensing processes, and contributes to the development of industry standards and regulatory frameworks.

FINANCIAL SUMMARY

Protect Group Consolidated Statement of Profit & Loss
For the year ended 30 June 2026

	2026	2025
Revenue and other income		
Investment revenue *	35,099,224	34,248,669
Other income	217,372	573,891
	35,316,596	**34,822,560**
Operating expenses		
Administration fees	6,980,373	7,131,322
Advertising & promotion	1,305,025	1,276,190
Depreciation and amortisation	268,149	219,548
Technology expenses	596,296	630,704
Directors costs *NOTE 5*	522,065	522,065
Interest paid	70,541	152,409
Investment advisor fees	643,608	618,301
Other expenses	895,472	780,637
	11,281,529	**11,331,176**
Operating profit for the year before tax	24,035,067	23,491,384
Tax expense	(8,462,796)	(9,301,384)
Transfers to reserves		
Profit for the year after tax	**15,572,271**	**14,190,000**

** Investment revenue includes unrealised gains and realised gains on investments of $5,205,721*

FINANCIAL SUMMARY

		2026	2025
Current assets			
Cash and cash equivalents		49,415,570	69,855,348
Receivables		1,619,672	8,616,520
Investments	*NOTE 1*	482,761,088	408,633,786
Current tax assets		-	-
Other assets		12,082,795	3,158,091
Total current assets		**545,879,125**	**490,263,745**
Non-current assets			
Intangible assets		459,996	605,819
Total non-current assets		**459,996**	**605,819**
Total assets		**546,339,121**	**490,869,564**

		2026	2025
Current liabilities			
Trade & other payables		5,480,933	3,230,142
Tax liabilities	*NOTE 2*	15,064,153	12,127,813
Beneficiary entitlements	*NOTE 3*	5,823,507	9,925,953
Members funds	*NOTE 4*	500,799,517	451,375,548
Total current liabilities		**527,168,110**	**476,659,456**
Total liabilities		**527,168,110**	**476,659,456**
Net assets		**19,171,011**	**14,210,108**
Trust Funds			
Settled sum		11	11
Reserves		1,770,718	2,644,220
Accumulated surplus		17,400,282	11,565,877
Total trust funds		**19,171,011**	**14,210,108**

FINANCIAL SUMMARY

Protect Group Notes to Financial Statements
For the year ended 30 June 2025

NOTE 1 - INVESTMENTS	2026	2025
Shares in listed corporations	37,620,624	33,849,030
Managed funds	279,775,531	251,296,254
Unlisted property trusts	12,618,200	12,111,500
Other investments	152,746,733	111,377,002
Total investments	**482,761,088**	**408,633,786**

NOTE 2 - TAX LIABILITIES	2026	2025
Provision for tax payable	5,004,130	2,960,118
Provision for deferred tax	10,060,022	9,167,695
Total investments	**7,633,282**	**7,633,282**

Income tax is payable at trustee tax rates of 47%

NOTE 3 - BENEFICIARY ENTITLEMENTS	2026	2025
Distributions owing to beneficiaries at year end		
EEIT - ETU Victorian Branch	3,869,556	6,284,643
VEID - NECA Victorian Branch	1,289,852	2,094,881
AMWU Victoria	664,099	1,546,429
Total beneficiary entitlements	**5,823,507**	**9,925,953**

NOTE 4 - MEMBERS FUNDS	2026	2025
Electrical Division	353,480,161	318,522,085
Metals Division	55,052,496	51,939,280
Maritime Division	28,592,142	30,258,053
Civil Division	22,102,716	15,698,054
Total members funds	**500,799,517**	**451,375,548**

FINANCIAL SUMMARY

NOTE 5 - DIRECTORS FEES	2026	2025
Total meetings for the financial year		
ETU Victoria (3 Directors)	202,537	202,537
NECA Victoria (2 Directors)	135,024	135,024
Susan Carter (Independent Chair)	77,637	77,637
Mark Engeman (Independent & Audit Chair)	106,867	106,867
Total Directors fees	**522,065**	**522,065**

(Directors are also paid fees from a related entity, Protect Services)

NOTE 6 - OTHER RELATED PARTY TRANSACTIONS	2026	2025
Administration fees paid to Protect Services Pty Ltd	6,980,373	6,999,319
Industry sponsorship fees paid to NECA Victoria	181,999	127,000
Industry sponsorship fees paid to ETU Victoria	210,000	200,000
Industry sponsorship fees paid to AMWU Vic Branch	240,000	230,000
Industry sponsorship fees paid to ETU NSW/ACT Branch	150,000	122,000
Industry sponsorship fees paid to MUA WA Branch	150,000	160,000
Industry sponsorship fees paid to AWU Vic Branch	208,501	160,000
Distributions paid out to EEIT (ETU Vic related entity)	9,284,643	3,788,030
Distributions paid out to VEID (NECA related entity)	3,094,881	1,262,731
Distributions paid out to AMWU Vic Branch	1,696,429	894,664
Distributions paid out to MUA WA Branch	100,000	150,000
Distributions paid out to ETU NSW/ACT Branch	200,000	400,000
Distributions paid out to AWU Vic Branch	100,000	150,000



CONTACT US

ADDRESS:

Level 7, 380 Docklands Drive
Docklands VIC 3008

EMAIL / WEB:

info@protect.net.au
www.protect.net.au

PHONE:

1300 344 249