



Protect

ANNUAL REPORT

2024/2025

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.



**Vital financial security for workers
when they need it most.**

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MARK ENGEMAN
PROTECT CHAIRMAN



CHAIRMAN'S REVIEW

The 2024–25 year marked an important milestone for Protect, as 2025 represents our 25th anniversary. Over this period, Protect has paid \$862 million in benefits to 125,000 workers who lost their jobs.

Since our beginnings as the redundancy fund for Victorian electrical workers, we have steadily expanded our services across Australia and into New Zealand. We now support workers across a range of industries including electrical, maritime, metal works, civil construction, rail and firefighting in New Zealand.

Our services have also broadened over the years to include the administration of income protection insurance and counselling services for workers and employers. This evolution reflects our continued focus on supporting workers during periods of unemployment, injury, illness or personal difficulty.

BOARD CHANGES

Graeme Watson retired from the Board on 25 February 2025 after four years of service. Graeme made a significant contribution to Protect, including his involvement on the Audit & Risk Committee. On behalf of the Board, I thank Graeme for his long-standing commitment and wish him well.

Troy Knight joined the Board as Graeme's replacement. Troy is an Industrial Organiser at the ETU Victoria, serving as Head of Contracting and organising contracting projects from the Western Suburbs to Portland.

With Graeme's retirement, Danny Filazzola joined the Audit & Risk Committee. No other committee changes occurred during the year.



2025 represents Protect's 25th anniversary and the delivery of \$862 million in benefits to 125,000 workers who lost their jobs

ADMINISTRATIVE CHANGES

During the year, Protect engaged extensively with the Australian Taxation Office as the existing Private Ruling on Genuine Redundancy Payments was due to expire. After a detailed consultation process, a new ruling was issued, and Protect implemented the required administrative changes by 1 April 2025.

These changes preserve access to tax-free genuine redundancy payments, while introducing new requirements for voluntary terminations such as resignations or retirements. Significant updates to our IT systems were also completed to support the revised processes.

Management also identified two legacy matters that affected member access to entitlements. After consideration, the Board approved removal of the:

1. \$10,000 limit on initial claims for voluntary terminations
2. 28-day waiting period between an initial claim and a subsequent claim.

These changes simplify access to entitlements and ensure consistency across claim types.

In June 2025, ASIC announced a consultation process on the future regulation of redundancy funds. After reviewing submissions, ASIC confirmed a new regulatory model that will require funds such as Protect to hold an Australian Financial Services Licence from 1 September 2026.

This is the same model Protect supported in its submission. The Board is strongly in favour of regulatory oversight in this form, and Protect is already well advanced in its preparation, with only minor adjustments expected.

MARK ENGEMAN PROTECT CHAIRMAN



FINANCIAL PERFORMANCE

Protect's financial position remains strong. At 30 June 2025, Protect held \$490.9 million in total assets, covering liabilities of \$476.7 million, including members' funds of \$451.4 million.

The Group achieved an investment return of 7.8%, despite maintaining a conservative investment approach focused on preserving capital for members' entitlements. Liquidity also remains strong, with almost \$70 million in cash and reserves, equivalent to around six months of claim payments.

During the year, the Trustees declared the following trust distributions:

- **ETU Vic:** \$8.5 million
- **NECA Vic:** \$2.8 million
- **AMWU Vic:** \$2.1 million
- **MUA WA:** \$0.15 million
- **ETU NSW/ACT:** \$0.4 million
- **AWU Vic:** \$0.15 million

These distributions were made only after ensuring members' entitlements were fully protected, in line with the requirements of the Trust Deeds.

INVESTMENTS

The Board maintained Protect's conservative investment strategy throughout the year. The allocation of 40% growth assets and 60% income assets continue to support the protection of members' funds.

Cash holdings as a proportion of total assets were marginally higher than the previous year. Diversification across asset classes remains a central part of Protect's investment approach to mitigate the downside risk of unexpected market movements.

No specific events in financial markets required notable intervention by the Board during the year.

MEMBERSHIP AND SCHEME PERFORMANCE

Membership increased by 9.3% during 2024–25. Growth occurred across several sectors:

- **Victorian Electrical:** +1,095 members (+6%)
- **NSW ACT Electrical:** +959 members (+38%)
- **New Zealand:** +637 members (+43%)

Online claim lodgement remained high at 84%. Protect consistently meets service standards with prompt claim payments - often on the same day - and minimal wait times for member enquiries. Protect continues to provide a reliable safety net for workers during periods of unemployment and transition.

GOVERNANCE

KPMG again audited Protect's financial statements, issuing an unqualified audit opinion.

The Board engaged In-Sync in late 2024 to conduct an external Board performance review. The review delivered a positive assessment of Protect's governance structure, board functionality and overall professionalism.

The Board's committees - Audit & Risk, Investment, and Remuneration - continued to operate effectively during the year.

ACKNOWLEDGEMENTS

I would like to thank our CEO, Michael Connolly, and the management team and staff for their dedication during a year of significant administrative change and strong membership growth. Their ability to respond quickly to the new tax ruling and maintain high service standards is greatly appreciated.

Thank you also to my fellow Directors, our sponsors, unions and employer groups for their guidance and support throughout the year.

MICHAEL CONNOLLY
PROTECT CEO



CEO REVIEW OF OPERATIONS

Protect continues to experience significant growth

Protect experienced another year of significant growth in 2024–25, with membership increasing by 9.3% across all industries. Much of this growth continued to come from the electrical trades in Victoria and New South Wales, supported by the efforts of ETU Victoria and ETU NSW & ACT in nominating Protect as their preferred redundancy fund.

Growth also continued among New Zealand firefighters, now in their second year of income protection insurance. More recently, New Zealand maritime workers have joined Protect for income protection insurance, broadening our presence in that market.

The AWU also experienced its strongest year of growth since joining Protect in 2020. These combined increases reflect a continuing trend of workers and unions seeking stable and reliable administration of worker entitlement funds.

SEVERANCE AND REDUNDANCY CLAIMS

The year saw a substantial increase in severance and redundancy activity, with 10,040 claims processed, compared with 6,639 last year. This increase was driven by two main factors:

1. Growing membership, including workers transferring their balances from other funds.
2. A number of major Victorian infrastructure projects nearing completion, resulting in higher levels of redundancies in the electrical and construction sectors.

Despite the increased claim volumes, service standards remained high, including prompt processing of claims, often on the same day they were lodged.



“Membership increased by 9.3% overall, driven primarily by strong growth in the electrical industry

ONLINE SERVICES

Online lodgement of claims remained strong, with 84% of redundancy and severance claims submitted electronically through our smartphone app or website.

These digital channels continue to be the preferred option for members, providing accuracy and convenience. No significant changes were made to the CRM system during the year, following the major upgrade completed in recent years.

INCOME PROTECTION INSURANCE

Income protection insurance continues to be an important service provided to members on behalf of various unions. This year saw further growth in:

- New Zealand firefighters, now in their second year of coverage, and
- New Zealand maritime workers, who have recently joined their insurance arrangements.

MICHAEL CONNOLLY
PROTECT CEO



Across all industries, 28,649 members were covered by income protection insurance in 2024–25, up from 26,668 the previous year.

Protect's role includes registering new members, administering employer contributions, and supporting workers through the claims process.

COUNSELLING AND WELLBEING

Protect's relationship with Hunterlink for independent counselling services continued throughout the year, providing 24/7 support for workers, employers and their families.

Our partnership with Alcohol and Drug Awareness Australia also continued, offering educational resources and a confidential telephone support service.

In October 2024, Protect held its third Mental Health awareness dinner, bringing together industry representatives to focus on mental health issues affecting workers and their families.

All proceeds from the event were donated to the [Satellite Foundation](#), a charity that supports young people who have a family member with a mental health challenge.

OPERATIONAL CAPACITY AND SERVICE STANDARDS

The growth in membership and the operational changes arising from the new tax ruling resulted in a 20% increase in incoming phone calls during the year.

Protect managed this increased demand without increasing staff numbers, and maintained strong service levels, including:

- minimal phone wait times, and
- timely claim processing.

These outcomes reflect the commitment of staff and the steady improvements made to internal systems and processes in recent years.

TECHNOLOGY AND CYBER SECURITY

During the year, Protect achieved certification under the Essential Eight cyber security framework, developed by the Australian Signals Directorate.

This certification demonstrates Protect's continuing commitment to cyber security and provides assurance to members that their personal information is being managed in accordance with recognised best practice standards.

REGULATORY READINESS

ASIC's announcement of a new regulatory model for redundancy funds, requiring an Australian Financial Services Licence (AFSL) by 1 September 2026, aligns with Protect's preferred regulatory approach.

Protect already operates with a strong governance base, including:

- many years of audited financial statements,
- two independent directors on the Board,
- established Board committees (Audit & Risk, Investment and Remuneration),
- a risk management framework, and
- a broad suite of governance and investment policies.

As a result, only incremental changes are expected in order to meet the new regulatory requirements.

CONCLUSION

This year was marked by significant growth and operational change across the organisation. I would like to acknowledge the exceptional staff at Protect, whose commitment and professionalism ensured that service standards remained high despite increased demand and changing administrative requirements.

I would also like to thank the Board of Directors for their clear direction and support, particularly in navigating complex matters and guiding Protect towards the 2026 regulatory framework.

■ STRATEGY AND PURPOSE

The Protect Board and management team reviewed and confirmed our statement of purpose during the year. This statement formed the basis for our 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 and other services which support the wellbeing of members, and
- ▶ 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 sponsor expectations

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



OUR VALUES

While the strategic plan articulates *what* we aim to achieve, our values set out *how* we go about it, in terms of our interactions with our members, stakeholders and between ourselves as employees of Protect.



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 that value.

MEMBER PROFILES & MEMBER SERVICES

DIVISIONS

Protect was originally established for the Victorian electrical trades, which continues to represent the largest component of membership. During 2024–25, membership in this division increased by 6%, following stronger growth in the prior year. While some large Victorian infrastructure projects have moved closer to completion, employment levels remained supported by ongoing activity in areas such as data centre construction, which continues to generate demand for electrical workers.

Over time, Protect has expanded beyond the electrical sector, with membership now spanning metals, manufacturing, maritime and civil construction. In addition, Protect administers income protection insurance arrangements that extend into New Zealand, where coverage is provided to 2,102 firefighters.

Membership growth was particularly strong among New South Wales electricians, with member numbers increasing by 38% during the year, rising from 2,500 to 3,459. This reflects the continued expansion of Protect’s presence outside Victoria.

Across divisions, the mix of services varies. Many Victorian electrical workers hold both redundancy and severance accounts and income protection insurance. In contrast, members in New South Wales electrical, metals and civil construction generally participate in the redundancy and severance scheme only. Maritime members primarily access income protection insurance, although participation in the severance scheme within this sector has continued to increase and now exceeds 2,000 members, more than double the level recorded two years ago.

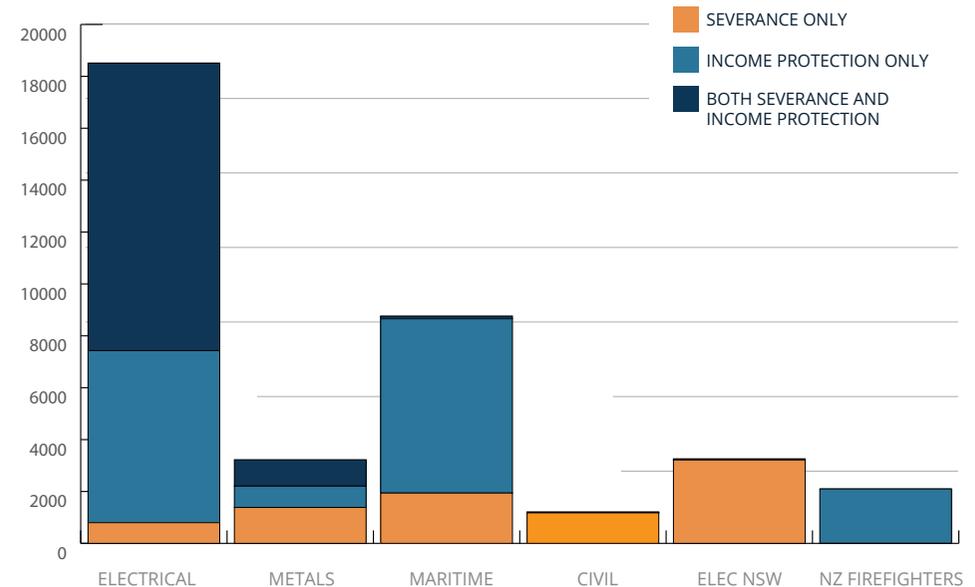
Membership growth was particularly strong among NSW & ACT electricians, with member numbers increasing by 38%

↑ 9.3%

39,298
EMPLOYED WORKERS

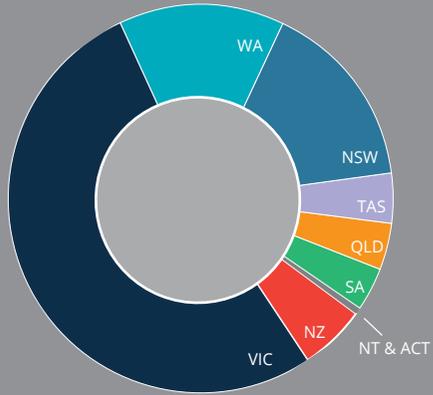
60,569
OPEN ACCOUNTS

MEMBERS BY ACCOUNT TYPE BY INDUSTRY



At 30 June 2025, Protect had 39,298 actively employed members across all divisions. In addition, a further 21,271 individuals retained open accounts despite not being employed by a Protect-contributing employer at year end.

EMPLOYED WORKERS BY STATE: JUNE 2025



AUSTRALIA WIDE AND TRANS TASMAN

Protect has members located in every Australian State and Territory, reflecting the gradual development of the fund from its Victorian origins into a nationally established scheme. While Victoria remains Protect's home State, membership continues to be well represented in Western Australia and New South Wales, and at least 1,000 members now registered in six States.

Protect's services also extend across the Tasman through income protection insurance arrangements in New Zealand. Membership in New Zealand exceeded 2,000 during the year and relates exclusively to income protection insurance.

SEVERANCE AND REDUNDANCY SCHEME

Protect was established to operate a severance and redundancy fund, providing workers with a secure entitlement to support periods of unemployment. While the Scheme was originally limited to the electrical industry, it now supports workers across a broader range of sectors.

The use of a centralised redundancy fund reduces the risk of worker entitlements being lost if an employer becomes insolvent. Following the pandemic and subsequent economic pressures - including higher interest rates, increased material costs and fixed-price construction contracts - liquidations have continued to affect parts of the construction sector. Employer contributions are made every month, ensuring funds are held securely and remain available if an employer is unable to meet its obligations.

A Genuine Redundancy payment includes a tax-free component. Voluntary termination payments apply in a wider range of circumstances, such as resignation, retirement or promotion off the tools, and are subject to income tax.

During the year, members were advised of a new Australian Taxation Office Private Ruling. The ruling maintains the tax-free treatment of genuine redundancy payments but requires changes to the administration of voluntary termination claims. Further information on these changes is available on Protect's website.

INCOME PROTECTION INSURANCE

Protect administers a range of income protection insurance arrangements for members in the electrical, manufacturing, firefighting and maritime industries.

The insurance policies are held by the relevant unions and are issued by ATC Insurance Solutions. Protect's role includes registering members, collecting employer contributions and remitting premiums to ATC Insurance Solutions.

Policy design is undertaken jointly by ATC Insurance Solutions, the union policyholders and Lloyd's of London. ATC Insurance Solutions is responsible for managing and paying income protection claims.

Protect's Field Officers support awareness of the insurance arrangements and assist members and employers to understand policy benefits and the claims process.





WELLBEING SERVICES

Counselling and Alcohol and Drug Awareness Support

Protect members often engage with the organisation during difficult periods, including job loss, employment uncertainty, or extended absence from work due to injury or illness. These circumstances can place additional strain on individuals and families and may contribute to mental health challenges, relationship pressures or substance-related issues.

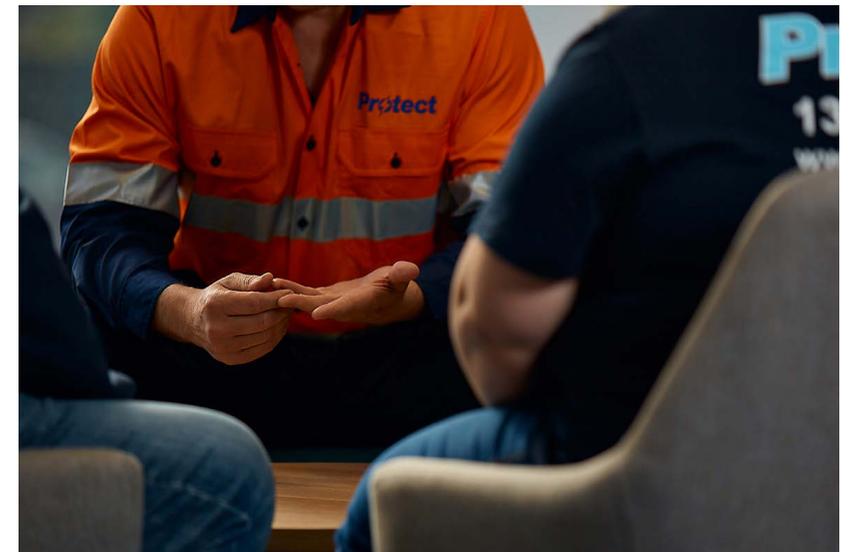
To support members during these times, Protect provides access to independent counselling services. The counselling program operates on a confidential basis and is available 24 hours a day at no cost. Access is available to employers, workers and their immediate family members.

Hunterlink Counselling continues as Protect's long-standing external provider. The service is delivered independently to ensure confidentiality and impartiality, with counsellors having no involvement in Protect's administration. This separation supports trust and encourages members to seek assistance when needed.

Members can access counselling through a dedicated Hunterlink portal available via Protect's website or by contacting the toll-free counselling line on 1300 725 881.

In addition to counselling services, Protect members have access to support through Alcohol & Drug Awareness Australia (ADAA). This service provides educational resources, including videos developed by individuals with lived experience, as well as a confidential telephone support line. The service is available to members and their families and is provided at no cost.

Through these arrangements, Protect aims to ensure support services are accessible, independent and easy to navigate for those who need assistance.



FIELD TEAM SUPPORT

Protect maintains a dedicated Field Team to provide direct support to employers and workers across the industries it services.

The Employer Relations Manager and Industry Relations Coordinator work closely with employers to assist with registration and to support the completion of monthly online contribution requirements.

Field Officers engage with workers, employers and unions to explain Protect's services, including redundancy and severance arrangements, income protection insurance and access to wellbeing services. Where required, Field Officers also provide practical assistance to members during the claims process.

Support is provided flexibly, including visits to worksites and, where necessary, to workers at home or in hospital.

The Field Team is geographically distributed to reflect the location of Protect's membership. Five team members are based in Melbourne, with additional representatives located in Perth and Sydney.



MEMBER SERVICES SUPPORT

Protect's Member Services team is the primary point of contact for employers and workers. The team can be contacted on 1300 444 249 and provides initial assistance with enquiries, as well as coordinating referrals to the Field Team where further support is required.

Member Services staff assist workers with a range of matters, including lodging severance and redundancy claims, updating personal contact details and checking account balances. The team also supports employers with meeting their industrial obligations to the Scheme.

In addition to direct contact with Member Services, workers can access information through Protect's smartphone app. The app allows members to view account balances and update certain contact details independently, providing an additional option for managing their accounts.



■ BOARD AND GOVERNANCE

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 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 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 Director of the Centre 4 U.

Additionally, Danny is the Joint Chair 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 35 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.



TROY KNIGHT

Director representing the ETU

Troy was appointed to the Protect Board in March 2025 as an ETU Representative Director. He serves as Head of Contracting and Industrial Organiser at ETU Victoria, where he leads contracting projects across Victoria's Western Suburbs through to Portland and supports organising initiatives across the region.

With extensive experience advocating for members' rights, workplace safety, fair conditions and strong industrial outcomes, Troy brings a practical, member-first perspective to the Protect Board. His day-to-day work representing electrical trades workers provides him with deep insight into the challenges facing workers and their families, aligning closely with Protect's purpose of safeguarding members' financial security and wellbeing.



GRAEME WATSON

Director representing the ETU

(Retired February 2025)

Appointed to the Protect Board in February 2021, Graeme has over 50 years industry experience in Australian and International electricity sectors and competency-based training standards. Graeme is a qualified company Director and a member of the Protect Audit & Risk Committee.

As a Lineworker Delegate Graeme was elected as an ETU VIC State Organiser and Councillor in 1978. He was Managing Director of the ETU VIC training and development business, EEIT Ltd., from 1999-2015. Re-elected onto State Council in 2005, State Executive in 2010 then Treasurer 2012-2023. Graeme is an ETU VIC Life Member.



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

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, Watson (until retirement) and Joyce sit on this Committee. Danny Filazzola replaced Graeme Watson 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	6/7	3/4	2/3	3/3
Engeman	7/7	4/4	3/3	3/3
Filazzola	6/7	4/4	1/1	
Balta	6/7			2/3
Purnell	7/7	4/4		3/3
Knight##	2/2			
Watson#	5/5		2/2	
Joyce	7/7		3/3	

Until retirement on 25 Feb, 2025
Joined from March 2025

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.



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 worked in IT management roles in the finance and banking sectors.

Paulo holds a Bachelor of Computer Science and is currently undertaking a postgraduate qualification in Cyber Security Governance and Risk Management.

With experience in cloud infrastructure, network security and project management, he is responsible for leading the Protect IT strategy roadmap and implementing innovative and emerging technologies.

He spearheaded the Protect Carbon Neutral Project, successfully leading the team to gain Climate Active Carbon Neutral Organisation certification in 2017.



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.

KEY INDICATORS

MEMBERS FUNDS

At 30 June 2025, the collective assets of the Protect schemes totalled \$490.9 million (2023–24: \$430.4 million). These assets were sufficient to cover members' funds of \$451.4 million (\$408.2 million), together with other operational liabilities.

Based on the current annual claims payment rate of \$126.4 million, total assets represent approximately 3.5 years of claims coverage. This reflects the higher level of claim activity during the year, while continuing to demonstrate that members' entitlements remain fully funded.

As an additional safeguard, the schemes have access to facility arrangements with ETU Victoria and NECA Victoria. These facilities are available to provide supplementary funding in the event of an unexpected shortfall in members' funds. The facilities were not drawn upon during the year.

INVESTMENTS

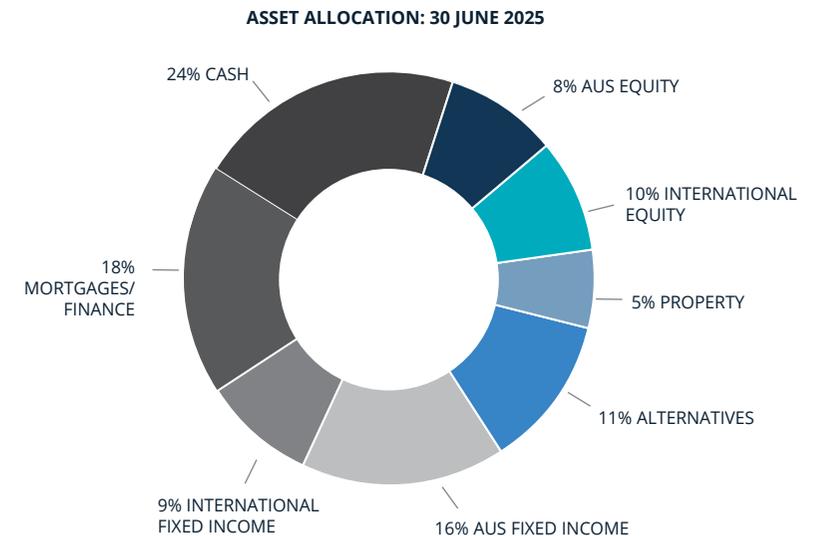
ASSET ALLOCATION & ASSET CLASS PERFORMANCE

Protect maintains a conservative investment approach, with a strategic allocation of 40% to growth assets and 60% to income assets. This approach is intended to support the preservation of members' funds while allowing for income generation and longer-term capital growth.

At 30 June 2025, 35% of assets were invested in growth categories, with the remaining 65% allocated to income assets. The portfolio continued to be diversified across multiple asset classes within each category, reducing reliance on any single investment and assisting in the management of downside risk.

In recent years, the Board held a higher proportion of cash and other liquid assets as a precaution against the potential for increased claims activity. While those anticipated pressures did not arise to the extent expected, the Board continued during the year to manage cash holdings with regard to liquidity requirements and overall portfolio balance. As at year end, cash remained above the long-term target level, with the intention that allocations will continue to be adjusted over time in line with the Board's strategic settings.

This investment structure reflects the Board's ongoing focus on protecting members' entitlements while maintaining sufficient liquidity to meet claim obligations as they arise.



KEY INDICATORS

\$170M

CONTRIBUTIONS

\$126.4M

CLAIMS PAID

CONTRIBUTIONS

Employer contributions to the severance scheme totalled \$170.0 million during the year, an increase from \$112.9 million in 2023–24.

The higher level of contributions was driven primarily by growth in membership across several sectors. In addition, contributions included the transfer of account balances from other funds, particularly within the civil construction sector and the New South Wales electrical division, alongside ongoing monthly employer contributions.

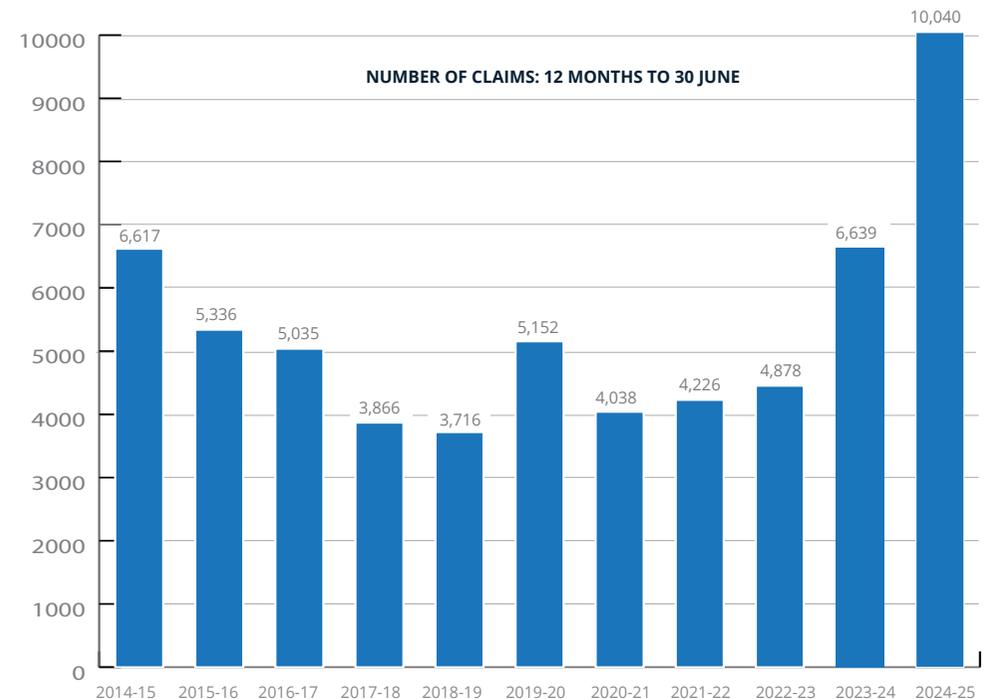
These contribution levels support the continued funding of members' entitlements and reflect the expanding participation of workers and employers across the industries serviced by Protect.

SEVERANCE CLAIMS

During 2024–25, Protect processed 10,040 severance and redundancy claims, representing the highest annual claim volume recorded by the fund. This compares with 6,639 claims in the previous year.

The increase in claim activity reflects a combination of continued membership growth, including members transferring balances from other funds, and the completion of a number of major infrastructure and offshore projects. In particular, project completions in Victoria and Western Australia contributed to higher levels of redundancy activity during the year.

The total value of claims paid was \$126.4 million, approximately double the amount paid in 2023–24. Despite the higher volume, claims continued to be processed promptly, with service standards maintained throughout the year.



STRONGEST NET INCREASE

NSW ACT ELECTRICAL

+959 MEMBERS

MEMBER GROWTH

The number of actively employed members increased by 9.3% during 2024–25, reaching a total of 39,298 workers (2023–24: 35,956) across the industries serviced by Protect.

Growth was strongest in the New South Wales electrical division, where membership increased by 38%, representing a net increase of 959 members. Membership in the Victorian electrical division increased by 6%, with an additional 1,095 workers joining during the year. Despite higher levels of severance activity, this outcome indicates that workers in this sector continued to secure new employment.

Membership associated with New Zealand firefighters continued to increase, rising from 1,465 to 2,102 members. These members are covered through income protection insurance arrangements administered by Protect.

Overall membership growth reflects continued participation across multiple sectors and jurisdictions, contributing to the broader scale of the Scheme.

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%

ONLINE SERVICES

Use of online services remained high during the year, with the majority of claims lodged electronically. In 2024–25, 84% of all claims were submitted online, either through Protect’s website or the smartphone app.

Since the introduction of the upgraded IT system in 2022–23, members have been able to submit almost all claim types online, rather than being limited to initial claims only. This has contributed to sustained take-up of digital services and reduced reliance on paper-based processes.

The smartphone app continues to be the preferred digital channel, accounting for 64% of all claims lodged during the year. Online lodgement supports accuracy and efficiency and remains an important part of Protect’s service delivery approach.



EMPLOYED WORKERS BY INDUSTRY





CARBON NEUTRAL

Protect's commitment to environmental sustainability continues to strengthen as we progress our long-standing carbon neutral initiative. First established in 2016 through an employee-led working group. After extensive research, the National Carbon Offset Standard (NCOS) Carbon Neutral Program was selected as a credible and rigorous framework to guide this effort.

Today, Protect is proudly certified as a Climate Active Carbon Neutral Organisation, an Australian Government accreditation we have maintained for eight consecutive years. This achievement reflects a sustained commitment by Protect's leadership team and working group to responsible environmental management and transparent stewardship.

While carbon offsets remain an important mechanism in maintaining our certification, Protect's priority is to reduce emissions at the source wherever possible. Only unavoidable residual emissions are offset through high-integrity Australian Carbon Credit Units, with a continued focus on projects that deliver meaningful environmental and community benefits.

Protect sources these offsets through the [Aboriginal Carbon Foundation \(AbCF\)](#), a not-for-profit organisation fully owned by Aboriginal people. Since its establishment in 2010, the AbCF has promoted economic self-determination through innovative initiatives such as carbon farming and cultural fire management, generating both environmental impact and community value.

Protect's continued carbon neutral certification demonstrates our enduring dedication to sustainability, community engagement, and corporate responsibility. It underscores our commitment to supporting environmental outcomes while contributing to initiatives that strengthen Indigenous communities across Australia.



DISABILITY SPORT AND RECREATION

2025 marked Protect's 12th consecutive year as the major sponsor of Victorian wheelchair rugby, including ongoing support for the Victorian Wheelchair Rugby Cup and the Victoria Thunder Wheelchair Rugby team.

Wheelchair rugby in Victoria has been coordinated by Disability Sport and Recreation (DSR), the peak organisation supporting disability sport and recreation across the State. During the year, Wheelchair Rugby Australia (WRA) and DSR agreed to transition responsibility for the Victorian wheelchair rugby program to WRA.

For the 2025–26 year, the Protect Board has committed to continuing its sponsorship of Victorian wheelchair rugby under this new management arrangement, ensuring ongoing support for the sport and its participants.

Protect's long-standing involvement reflects a continued commitment to inclusive sport and community participation.



BALLARAT CYCLE CLASSIC

Protect continued its sponsorship of the Ballarat Cycle Classic during the year. The event is held annually in February and includes ride, run and walk activities around the regional city of Ballarat.

The event raises funds for the Fiona Elsey Cancer Research Institute, supporting cancer research.

Protect sponsors the Alex McCallum Perpetual Trophy, awarded to the team that records the greatest distance during the event. The trophy recognises the contribution of the late Alex McCallum, a former Chief Executive Officer of Protect and a strong supporter of cycling.



FUTURE ENERGY SKILLS

Protect continued its sponsorship of Future Energy Skills, a not-for-profit organisation that delivers training, assessment and advisory services for the electrical industry.

Future Energy Skills works with industry to support the development of safe, skilled and work-ready electricians. Protect's sponsorship includes support for an annual award recognising a student who has overcome significant barriers in completing their qualification.

This partnership reflects Protect's ongoing support for skills development and training within the industries it services.

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 2025, the Protect Group held total assets of \$490.9 million (2023–24: \$430.4 million), with total liabilities of \$476.7 million. Members' funds accounted for \$451.4 million of these liabilities (2023–24: \$408.2 million), representing amounts held to meet obligations arising from severance and redundancy claims.

For the year ended 30 June 2025, the Protect Group recorded a post-tax profit of \$14.2 million (2023–24: \$10.0 million). Investment revenue was the primary contributor to this result, totalling \$34.3 million, which included \$7.8 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 \$14.2 million, allocated as follows:

- **EEIT** (ETU Vic related entity): \$8.5 million
- **VEID** (NECA Vic related entity): \$2.8 million
- **AMWU Vic Branch**: \$2.1 million
- **MUA WA Branch**: \$0.15 million
- **ETU NSW/ACT Branch**: \$0.4 million
- **AWU Vic Branch**: \$0.15 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 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 2025

	2025	2024
Revenue and other income		
Investment revenue *	34,248,669	26,795,214
Other income	573,891	622,388
	34,822,560	27,417,602
Operating expenses		
Administration fees	7,131,322	6,809,964
Advertising & promotion	1,276,190	480,538
Depreciation and amortisation	219,548	220,481
Technology expenses	630,704	541,767
Directors costs <i>NOTE 5</i>	522,065	511,120
Interest paid	152,409	107,185
Investment advisor fees	618,301	556,149
Other expenses	780,637	2,010,934
	11,331,176	11,238,138
Operating profit for the year before tax	23,491,384	16,179,464
Tax expense	(9,301,384)	(6,106,515)
Transfers to reserves		
Profit for the year after tax	14,190,000	10,072,949

* Investment revenue includes unrealised gains and realised gains on investments of \$7,796,419

FINANCIAL SUMMARY

	2025	2024
Current assets		
Cash and cash equivalents	69,855,348	57,708,681
Receivables	8,616,520	2,608,137
Investments <i>NOTE 1</i>	408,633,786	359,809,922
Current tax assets	-	-
Other assets	3,158,091	9,721,930
Total current assets	490,263,745	429,848,670
Non-current assets		
Intangible assets	605,819	627,582
Total non-current assets	605,819	627,582
Total assets	490,869,564	430,476,252

	2025	2024
Current liabilities		
Trade & other payables	3,230,142	5,054,884
Tax liabilities <i>NOTE 2</i>	12,127,813	7,633,282
Beneficiary entitlements <i>NOTE 3</i>	9,925,953	2,386,804
Members funds <i>NOTE 4</i>	451,375,548	408,249,380
Total current liabilities	476,659,456	423,324,350
Total liabilities	476,659,456	423,324,350
Net assets	14,210,108	7,151,902
Trust Funds		
Settled sum	11	11
Reserves	2,644,220	151
Accumulated surplus	11,565,877	7,151,740
Total trust funds	14,210,108	7,151,902

FINANCIAL SUMMARY

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

NOTE 1 - INVESTMENTS

	2025	2024
Shares in listed corporations	33,849,030	29,332,869
Managed funds	251,296,254	237,537,589
Unlisted property trusts	12,111,500	13,120,130
Other investments	111,377,002	79,819,334
Total investments	408,633,786	359,809,922

NOTE 2 - TAX LIABILITIES

	2025	2024
Provision for tax payable	2,960,118	2,677,026
Provision for deferred tax	9,167,695	4,956,256
Total investments	7,633,282	7,633,282

Income tax is payable at trustee tax rates of 47%

NOTE 3 - BENEFICIARY ENTITLEMENTS

	2025	2024
<i>Distributions owing to beneficiaries at year end</i>		
EEIT - ETU Victorian Branch	6,284,643	1,538,030
VEID - NECA Victorian Branch	2,094,881	512,761
AMWU Victoria	1,546,429	336,043
Total beneficiary entitlements	9,925,953	2,386,834

NOTE 4 - MEMBERS FUNDS

	2025	2024
Electrical VIC Division	318,522,085	301,816,628
Metals Division	51,939,280	54,127,895
Maritime Division	30,258,053	11,745,721
Civil Division	15,698,054	15,889,566
Electrical NSW/ACT Division	34,958,076	24,669,570
Total members funds	451,375,548	408,249,380

FINANCIAL SUMMARY

NOTE 5 - DIRECTORS FEES

Total meetings for the financial year

	2025	2024
ETU Victoria (3 Directors)	202,537	197,592
NECA Victoria (2 Directors)	135,024	131,728
Susan Carter (Independent Chair)	77,637	80,496
Mark Engeman (Independent & Audit Chair)	106,867	101,304
Total Directors fees	522,065	511,120

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

NOTE 6 - OTHER RELATED PARTY TRANSACTIONS

	2025	2024
Administration fees paid to Protect Services Pty Ltd	6,999,319	5,527,924
Industry sponsorship fees paid to NECA Victoria	127,000	115,000
Industry sponsorship fees paid to ETU Victoria	200,000	195,000
Industry sponsorship fees paid to AMWU Vic Branch	230,000	220,000
Industry sponsorship fees paid to ETU NSW/ACT Branch	122,000	100,000
Industry sponsorship fees paid to MUA WA Branch	160,000	100,000
Industry sponsorship fees paid to AWU Vic Branch	160,000	150,000
Distributions paid out to EEIT (ETU Vic related entity)	3,788,030	4,437,483
Distributions paid out to VEID (NECA related entity)	1,262,731	1,479,137
Distributions paid out to AMWU Vic Branch	894,664	740,766
Distributions paid out to MUA WA Branch	150,000	-
Distributions paid out to ETU NSW/ACT Branch	400,000	-
Distributions paid out to AWU Vic Branch	150,000	-



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