

**Electrical Trades Union – Victorian Branch (ETU) and National Electrical Contractors Association -
Victorian Chapter (NECA)**

JOINT MEDIA STATEMENT

Protect Redundancy Fund Update

Three decades ago the ETU and NECA established and became joint sponsors of Protect. The *Protect Redundancy Fund* was born from the shared concern of both NECA and the ETU for the people working in the electrical industry who are terminated by their employer at the conclusion of projects or when businesses go into receivership. The fund ensures worker's redundancy entitlements delivered through the industrial agreements are protected.

Today the *Protect Redundancy Fund* protects and supports thousands of electrical workers in the electrical industry, predominantly in Victoria.

Since 2006 there have been more than 44,000 claims to the *Protect Severance Fund* with approximately \$343 million distributed to suddenly unemployed workers. The liquidation of PSG and the Hastie group are notable examples of when Protect offered a lifeline to worker families in their times of need.

In addition to the *Protect Redundancy Fund* severance benefits, NECA and the ETU have committed to ensuring the Fund is fully utilised to support our industry – from business owners to electrical trades people and their families. We have achieved this through the following:

ETU - the establishment of a Distress, Hardship, Welfare and Training Fund. This fund provides a huge array of member benefits, training programs and grants. These benefits include free ambulance cover, free funeral cover, free return to work training for the unemployed and so much more.

NECA - the establishment of training colleges, development of training courses in business management, development of training facilities for new technologies, road shows to support members' understanding of the changes in AS 3000 etc, development of wellness courses & many other courses, and importantly the investment in OH&S systems that recognise the many needs of NECA members to meet legislative requirements and the site safety of their staff.

These investments in our industry have been made possible through the distribution of some of the Protect Redundancy Fund surpluses to the joint Sponsors (ETU Vic and NECA). The distributions are made when specific circumstances allow, in accordance with the terms of the Trust Deed agreed between the Sponsors on establishment of the fund and as resolved by the Protect Board of Directors.

The *Fair Work Law Amendment (Proper Use of Workers Benefits) Bill 2017* by potentially eliminating the ability to distribute Worker Entitlement Fund surpluses to Sponsors, has created significant uncertainty to:

- how Worker Entitlement Funds are to operate in the future, and
- the fund's ability to support our industry within the important areas of education, member welfare, etc.

The Bill also enables, current or future Government Ministers to unilaterally create new rules (at their discretion) to prevent funds flowing to key health and wellbeing services – such Government discretion is unnecessary and potentially dangerous.

Given the uncertainty the Fair Work Law Amendment (Proper Use of Workers Benefits) Bill 2017 has caused, by a unanimous resolution of Protect's Board of Directors, capital and income surpluses were distributed to Sponsors during 2017. This distribution has enabled the benefits and programs that support our industry, its worker and their families, to continue.

As has previously occurred during the GFC, should the Protect Redundancy Fund require funding (as a result of a shortfall due to unforeseen investment market conditions) and at the discretion of the Board of Protect, the Sponsors have guaranteed that funding to the extent of a Facility Arrangement that has been agreed to between the Board of Protect and the Sponsors. This ensures the entitlements of electrical workers covered by the Fund remain protected.

Signed: 

Dean Spicer
President
NECA (Vic) Chapter

Signed: 

Troy Gray
Secretary
ETU

