

ANNUAL REVIEW & NEWS

ACIRT21

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FEBRUARY 2021



**YOUR
REDUNDANCY
SAFETY NET**

Rita Mallia, ACIRT Chair, CFMEU NSW President

A united purpose in the face of a pandemic

As meetings of ACIRT directors followed the global shift from boardroom to video hook-up, Rita Mallia was heartened to see that no matter how far apart attendees might have found themselves geographically, they continued to work as one to serve their most valued asset – their members.



‘You just get on with the business of doing the work of ACIRT,’ says Ms Mallia, who chairs a Board that comprises representatives of unions and employer groups in equal measure. ‘Whether face-to-face or via a video conference, the goal was clear – everybody did what we had to do to support the members.’

The longest of years left her with an even greater appreciation for the work of ACIRT general manager and chief executive Tony Butcher, area co-ordinators Ben Manna and Barry Martin and administrator Nicole

Dorahy, whose service to members wasn’t compromised despite the constraints imposed by COVID-19.

The work of ACIRT’s investment advisors in recovering initial losses incurred when the pandemic rocked the stock market was also noteworthy for the Board chair, allowing for an end-of-year distribution to members

that highlighted the merit of the trust’s risk-averse approach.

Making careful decisions

‘We’re the custodians of people’s redundancy money, we have to be there for them when the worst does

‘We’re the custodians of people’s redundancy money, we have to be there for them when the worst does happen.’

happen,’ Ms Mallia says. ‘The Board has to make careful decisions to make sure that money is there when members need it.

‘For all the difficulty there was in 2020, we still provided a decent distribution to members. The returns have been as solid as they could be, and we look forward to improving on them in 2021.’

Her message to members is to continue to support the fund, and know that ACIRT always has their best interests at heart – never more than in uncertain times. An ideal world would boast so much construction activity that members wouldn’t need to access their money

due to the work drying up, but she is proud that ACIRT is a ready and willing backstop.

‘We don’t know what to expect, you never take anything for granted, you just have to have good policies in place and stick to them, and be very careful and considerate.

‘The distribution is an important benefit that members look forward to, but ultimately we’re there to assist them in the event that they lose their jobs.’

Tony Butcher, ACIRT General Manager and CEO

Providing comfort and security in uncertain times



As he looks back on a year like no other, Tony Butcher's message to members carries a sentiment he knows will endure, through the best and worst of times.

'We'll still be here in six months, and in a year, and in five years,' he says. 'We're here now, and we'll still be here for our members when all of this is over. We'll always be here for them.'

Such unbending confidence is rooted in an ethos that has helped the safety net for construction workers to thrive for more than 25 years. It was to the fore again when COVID-19 shook the stock market early in 2020, and helped ACIRT recover any investments that had been coronavirus casualties.

'We take a measured approach and we don't panic,' Butcher says. 'We've got a very conservative investment strategy. But we've got a large amount of cash in the bank, so we're pretty well protected from anything that can happen.'

A safety net trusted by its members

ACIRT enters 2021 with an asset base of around \$720 million, almost half in cash, a healthy position

that has helped weather the global tremors of the pandemic. Roughly 90,000 construction workers are ACIRT members, and they enjoyed distributions of around \$15 million that were especially welcome at the end of a year of great uncertainty.

that will be there for them when they need it most.

'That our members haven't been claiming gives us confidence that they think their money is secure,' Butcher says. 'That gives us a lot of

'We're here now, and we'll still be here for our members when all of this is over.'

By the end of this year Butcher hopes the conversation will have moved on, but he suspects COVID-19 will remain at the forefront of our thinking as 2021 unfolds. That the number of claims from workers who found themselves between jobs was slightly down in 2020 emboldens him, pointing to the trust members have in a safety net

comfort. If they change jobs they can claim their money, and a lot of our members clearly haven't chosen to do that.

'When they need to, we'll be here for them.'

Meet the Board

Half of the Board is appointed by union organisations while the other half is appointed by employer organisations. Any decision has to be supported by three quarters of the Board.



Rita Mallia
(Chair – ACTU)



Chris Melham
(CCF – National)



Callum McKay
(MP and MCA – NSW)



Jason Jennings
(CFMEU)



Jim Wilson
(AWU)



Matt Gissane
(MBA – NSW)



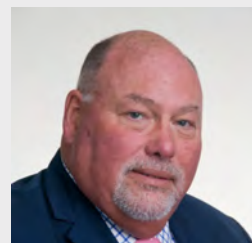
Frank O'Grady
(CFMEU)



Lindsay Le Compte
(AIG)



Brian Seidler
(MBA – NSW)



Peter Glover
(MBA – NSW)



Jim Barrett
(AIG)



Steve McCarney
(PTEU)



Glenn Thompson
(AMWU)



Peter Genovese
(CFMEU)

Financial summary

Note: Dean Hall resigned from the Board 29 August 2019, and Jason Jennings has taken his place. The Board acknowledges his many years of service to ACIRT.

THE YEAR IN NUMBERS

Total Assets	\$712,785,607
Total Liabilities	\$16,671,955*
Contributions Received	\$147,090,342
Benefits Paid	\$112,412,684
Number of Members	93,615
Number of Employers	2,028
Number of Claims Paid	15,024
Total Member Account Balances	\$637,685,326
Total Value of Funeral Benefits Paid	\$240,787
Total Income Distribution to Members	\$15,021,756
Total Value of Investments	\$705,337,836

*Includes distribution.

'All of the Board members are committed to ensuring the safety net is there for our members when they need it.'

Rita Mallia, ACIRT Chair

PEOPLE – AND THEIR RESILIENCE THE HEROES OF 2020

Barry Martin, ACIRT Northern Region Coordinator

As someone with a friendly face and a ready ear, who likes nothing more than a good chat, it's not hard to guess what Barry Martin missed most through the long, remote months of 2020. People.



'Not being able to get onsite for some time, relying on delegates to catch up with members, answer questions on your behalf, get the member to ring you – instead of us being able to actually be onsite – that was one of the hardest ones.'

'Some of the people I see on work sites I've known for many years. Not being able to see them, to have that interaction, that's hard.'

He feels fortunate to have built strong relationships, such as with a delegate on Brisbane's Cross River Rail project, who helped keep communication with members going and gave Martin peace of mind that their needs were being met. 'People like him, they're the best asset I've got.'

Hailing the power of construction workers

When the pandemic-imposed restrictions finally eased and he

was allowed to again perform his ACIRT duties in person, arriving at the Pacific Highway M1 upgrade at Springwood was a welcome relief.

'Hopefully it won't change dramatically over the next 12 months – there will be enough projects that have started that people will still be working on.'

'That was nice, having those relationships go back to being in-person again.'

The thing that stays with him about a year unlike no other is people's resilience, the way they put their heads down and got on with what needed to be done.

Every ACIRT member he spoke to was impacted in different ways, but thankfully the work largely continued, providing not only security but a distraction from the world's troubles.

Looking ahead, he thinks the end of coronavirus-inspired government assistance packages as a crucial time in seeing how the industry is placed to withstand the fallout. True to form – and mindful of the resilience he saw last year in spades – Barry Martin is optimistic.

'Hopefully it won't change dramatically over the next 12 months – there will be enough projects that have started that people will still be working on. But if things do change, we're here to help our members.'

CHEQUES:



ELECTRONIC FUNDS TRANSFER:



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YOUR
REDUNDANCY
SAFETY NET

'If you don't need to claim your money, you're better off leaving it to a time when you really do.'

SAFETY NET MEANS THERE'S NO NEED TO RUSH

The importance of having ACIRT as a safety net to cushion the fall if your circumstances suddenly change was driven home to Ben Manna last year, when he was chatting to a construction worker on a site visit.

'He was saying that everything was good, and while we were talking he took a phone call, stepped away and turned bright red. His wife – who was pregnant – had just lost her job and been told her employer didn't have the money to pay all her annual leave and entitlements.'

The member was a casual working three days a week, who had dipped into his ACIRT nest egg in the past and faced the prospect of being caught short when this rainy day arrived. For Manna, the story was a sad exception to the scenario he generally encountered in 2020, of members who were fortunate to still have work, so left their ACIRT alone.

COVID-19 changed how Manna works, with toolbox meetings at the roughly 240 site visits he does each

year giving way to communication by phone or video platforms. For a time he saw nervousness – from employers worried about making their ACIRT payments, and workers asking how quickly they could access their money.

'Everyone was in panic mode.'

Funds at the ready when needed

He's grateful the mood calmed as construction jobs largely continued. 'People settled down when they realised there was still work. We expected claims to go through the roof in the beginning, and we had the funds available to pay if there were a massive number of claims.'

When Manna ponders what 2020 taught him, he laughs that we don't

know yet because it's 2021 and the global pandemic is still with us. The unknown means the months ahead could be challenging for some members, and he urges anyone considering accessing their money to contact ACIRT or seek financial advice first.

'You don't want guys who are struggling to claim a large amount of money, then get hit at tax time.

'We're here, we've got the ability if there are a large number of claims come through to meet them.

'There's a vaccine coming, the outlook's positive. But if you don't need to claim your money, you're better off leaving it to a time when you really do.'

THE BEST DECISION

A TEENAGER COULD MAKE



LUKE JONES

When Luke Jones left school and started work as a trainee carpenter, he didn't take much notice of what signing up to ACIRT could do for him.

'You just fill out a couple of forms. When you're 17, you don't think too much about what could happen – being made redundant and not having any money coming in is the last thing on your mind.'

Now 25 and working for Multiplex on the \$1 billion Westmead Hospital redevelopment, he's grateful for two things: that he hasn't hit lean times and had to dip into his ACIRT fund, and even more so that he knows it'll be there if he needs it.

'I looked at it a while ago and saw the amount, I was really surprised,' Luke says. 'If you were ever made redundant, it's comforting to know that's sitting there and could be used to pay your bills and keep you going while you find another job.'

He's seen friends in the industry – carpenters and labourers working in residential housing construction, who

'I looked at it a while ago and saw the amount, I was really surprised. If you were ever made redundant, it's comforting to know that's sitting there.'

haven't been ACIRT members – find themselves out of work and in a bind. His teenage indifference long gone, it's made Luke shudder.

'The bills pile up, they end up in debt, it's the last thing you want. It's not pleasant to hear, but it's good to know that can't happen to me.'

Luke is rapt the only surprise ACIRT brings him is an annual interest dividend, paid into his bank account at the end of November. He sees what it does for older colleagues, paying for Christmas presents for their kids and relieving the festive season strain.

Personally, it takes care of an annual expense that can be a drag for any young person on the go. 'My rego is due every December, so my ACIRT dividend goes straight to that. The rego's taken care of every year, that's a nice little bonus.'

If ever he needs endorsement of what a good decision he made signing up to ACIRT, Luke doesn't have to look far. 'My Dad's a long-time union rep, he can't speak highly enough of it.'

Leaving their hats at the door

FOR THE GREATER GOOD



'Everyone on the Board wants to do their best for its members.'

Peter Glover started work with the Master Builders Association in 1981.

In the next two decades his career tick-tacked into Victoria and back, through employer associations covering a broad range of workforces, before in 2001 he moved back to the MBA to head up their industrial relations and safety departments.

A knowledge of life on both sides of the construction fence only enhances the satisfaction he gets as an ACIRT director – where half the board represents union members, and the other half employer groups – in seeing how well the two come together.

'I'm proud to be able to say from a Board member's perspective that

we operate effectively, everyone is genuine in trying to leave our respective hats at the door,' Peter says. 'In another context, we may well be adversaries – particularly in an industrial context, where the Master Builders Association and the unions are often adversaries.'

'Everyone on the Board wants to make sure ACIRT runs as efficiently and effectively as it can as an organisation, to do their best for its members.'

He remembers when the itinerant nature of construction work was offset by a 'follow the job' loading that was built into pay rates, acknowledgement of the unique nature of project-based work where gaps regularly appear between the end of one job and the start of another.

Over time, ACIRT became the worker's security blanket.

'When the concept of redundancy trust funds was first thought about, it was considered to be a better way of accommodating employees between projects,' Peter says. 'It gives employees some comfort to know they have a safety net sitting there if they need it.'

The financial wellbeing of ACIRT members is foremost in Peter's thoughts when it comes to ensuring the fund grows in a steady-as-she-goes fashion, rather than pursuing risky strategies that might reap more immediate gratification. 'Because we do take our role in investing seriously, we don't want to put people's money at risk. That wouldn't be responsible.'



YOUR QUESTIONS ANSWERED

MEMBERS & EMPLOYERS

MEMBERS

Can I still visit the ACIRT headquarters at Homebush Bay Drive, Rhodes?

If it is absolutely essential that you speak to our staff in person, you still can. You need to first make an appointment, which will be one-on-one only. Upon arrival you need to scan the QR code at the entry to reception, then adopt appropriate social distancing and wear a mask while you are in the building.

You MUST NOT visit our offices if in the previous 14 days you have returned from overseas travel or been in contact with someone who recently has; have been in contact with someone who either has or suspects they have COVID-19; or have any respiratory symptoms including fever, sore throat, cough, shortness of breath, runny nose or loss of taste or smell.

What is ACIRT?

ACIRT is your redundancy safety net – a trust set up to secure entitlements owed by employers in the building and construction industry.

How have I become an ACIRT member?

Because we have been advised by an employer that you are entitled to receive contributions, we have received your personal details (name, residential address and date of birth), and we have received a contribution that we can add to your account.

When do I get my distribution?

Annual distributions are made in November. Not every member receives a distribution – we have a minimum distribution amount which usually exceeds the cost per member of running the fund.

How can I find out more about my ACIRT?

The easiest way is by visiting our website, acirt.com.au. Here, you can obtain your account balance using our MemberAccess facility, which also includes any statements – including your annual taxation statement – that have been sent to you.

What about ACIRT and tax?

Most payments by ACIRT are classified as Eligible Termination Payments and taxed accordingly. You will pay tax on any distribution you receive, and if we don't have your Tax File Number you will usually pay more tax.

How secure is my ACIRT money?

We invest more conservatively than most superannuation funds that have a longer-term investment horizon, with the highest percentage of our investments being in cash. This gives us great security – in our 24-year history, even during recessions and the Global Financial Crisis, every member has been able to access the full value of their redundancy account when they ceased employment.



HOW TO MAKE A CLAIM

We aim to make claiming your ACIRT benefit as easy as possible.

1. You can call our Contact Centre on **1800 060 467**
2. Log in to your account
3. Or download the Claim Form from our website

Once you have supplied the appropriate documentation (ACIRT requires something in writing from your former employer, or from a relevant union confirming your situation), we aim to pay your benefit within three business days.

It's that simple, and if you need any help, don't hesitate to contact Ben Manna or Barry Martin, our Member Co-ordinators.

Claims can be lodged at acirt.com.au.



EMPLOYERS

I'm an employer. Tell me about Employer online.

EmployerAccess is fast, simple and easy to use – you just need your ACIRT employer number and follow the prompts:

1. Visit **acirt.com.au**
2. Select the Employer tab
3. Click on 'Register' and enter your ACIRT employer number.

How much do I have to contribute to ACIRT for our employees?

ACIRT requires a minimum payment of \$25 per week, per employee, paid monthly. However, your redundancy obligations may be more than this and will be detailed in your Enterprise Bargaining Agreement or relevant Award. ACIRT is not aware of the redundancy obligation that applies to your business, therefore we suggest that you contact Fair Work Australia, the relevant trade union or one of the employer associations represented on the Board to confirm your obligations.

Do I have to pay redundancy when an employee is on leave?

Yes. Employers are obligated to make ACIRT payments while an employee is on any Annual Leave, Long Service Leave, other paid leave or Workers Comp up to a maximum of 26 weeks.

What payment options do I have?

- Bpay – we can provide you with the ACIRT biller code and your unique Reference Number
- Cheque – made payable to ACIRT
- Electronic Funds Transfer
- Direct Debit

Do I have to pay FBT on contributions into ACIRT?

No. ACIRT has been prescribed in regulation as an Approved Worker Entitlement Fund. This is important because any employer contributions to a fund that is not 'approved' will result in a taxable fringe benefit and thus taxed under the provisions of the *Fringe Benefits Tax Assessment Act 1986* (FBTAA).

What if I can't pay employer contributions on time?

ACIRT employer contributions are due and payable by the 14th day of the following month, i.e. September 2020 is due and payable by the 14th October 2020. The trust deed does give us the right to charge interest for late payments, therefore if you think your payment might be late or you are having cash flow issues, contact our Arrears Co-ordinator, Nicole Dorahy on **02 9863 1213** or at **nicole.dorahy@acirt.com.au** to discuss your concerns.

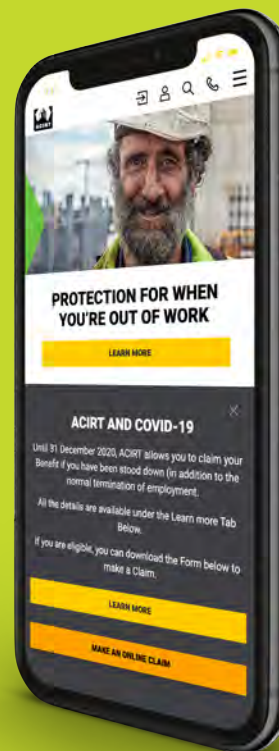


GET ON-LINE WHEN YOU'RE OFF-SITE

Want to learn how to redundancy-proof yourself?

Hop on our website. It's the main way we communicate with members so it's easy for you to get anything you need, like when your distribution will be paid, updating your account details, learning about the ACIRT Education Foundation and lots more.

Get all your questions answered at **acirt.com.au**. It's the tool you can't go without.



Need help? Contact us



SOUTHERN REGION CO-ORDINATOR

Ben Manna

M: 0409 256 137
T: 02 8571 5438
E: ben.manna@acirt.com.au



GENERAL MANAGER

Tony Butcher

M: 0407 241 223
T: 02 8571 5437
E: tony.butcher@acirt.com.au



NORTHERN REGION CO-ORDINATOR

Barry Martin

M: 0419 775 324
E: barry.martin@acirt.com.au

SYDNEY

1A Homebush Bay Drive
Rhodes NSW 2138

MELBOURNE

Tower 3
727 Collins Street
Docklands VIC 3008

BRISBANE

Level 21
10 Eagle Street
Brisbane QLD 4000

PERTH

QV1 Building
Level 12
250 St Georges Terrace
Perth WA 6000

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Extended call centre hours Our Contact Centre is open until 7 o'clock (NSW time Monday to Friday). So we're on, when you knock off.



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**YOUR
REDUNDANCY
SAFETY NET**

This report was prepared as of January 2021. Every reasonable attempt has been made to ensure that it represents an accurate summary of the Fund. However, if a question of interpretation arises, the trust deed and audited accounts will be the only valid source of reference. Neither the Directors nor their service providers accept responsibility for any error or misprint. ACIRT Pty Limited | ABN 39 062 330 170