

COINVEST NEWS 2019

EDITION 3 2019 FOR EMPLOYERS IN THE VICTORIAN CONSTRUCTION INDUSTRY - WWW.COINVEST.COM.AU



A MESSAGE FROM THE CEO

COINVEST END OF FINANCIAL YEAR RESULTS AND BOARD CHANGES



Performance

In terms of performance, the 2018/19 financial year was a strong one for CoINVEST with strong investment returns and increased usage of our

online facilities by both employers and workers.

The return on investment of 9.71% was a highlight and put us right at the top of performance tables with similar funds such as industry superannuation funds. This was achieved in a year where we completed our portfolio transition from one heavily dependent on equities to a more diversified one with defensive and less volatile attributes looking to consolidate ahead of the expected lower return environment going forward.

Our online facilities are now by far the easiest and most popular way to deal with the scheme, with nearly 90% of all employers submitting their returns online and 79% of workers submitting their claims online, including via our new Mobile Platform which has been a resounding success.

Board Changes

Last edition I mentioned changes to the industry representatives on the CoINVEST Board. This time I have to advise that CoINVEST Chairman, Mr Michael Anderson, will be retiring from the Board from the end of September. Michael will have been a CoINVEST Director for just over 14 years with the last 4 as Chairman. His investment experience and knowledge has been a major reason for the fund's success over his term as a director and his leadership as Chairman over the past 4 years has ensured that the Board has maintained service to the industry as its primary focus.

We wish Michael and his wife Karen all the very best in their retirement.

The Board at its September meeting has appointed Kate Spargo as its new Chairman. Kate has been a director for 14 years and has made a strong contribution particularly in governance matters. Kate is legally qualified and is a non-executive director on several other Boards.

The Board has also re-appointed Di Fulton as an independent director for a second four-year term. Di was formerly a senior manager at Telstra and has brought a strong commercial focus to the Board.

David St John replaces Michael Anderson as the third independent director following an exhaustive executive search and interview process. David has extensive experience in

investment matters both as a consultant with Mercer and PwC and as Chief Investment Officer and Acting CEO at UniSuper which is one of Australia's largest superannuation funds. David also has non-executive director experience with a number of investment organisations.

Welcome David!

John Hartley
CEO, CoINVEST

CHRISTMAS CLAIMS

Please advise your workers of our Christmas Claims cut-off date, which is 25-OCT-2019.

In our busiest time of the year, claims for payment of long service leave are paid in order of receipt at CoINVEST- first in, first out. By submitting their claim online before the cut-off date, your workers will give themselves the best chance of being paid their entitlement before Christmas.

Claims received after the cut-off date may not be paid before Christmas.

CHANGES TO OUR RULES

From time to time CoINVEST may consider changing parts of the Rules of the long service leave scheme to provide improved benefits to members.

New rule changes have been drafted and are currently awaiting approval from the Governor in Council, with approval expected to happen no later than November 2019.

These particular rule changes will impact employers and workers in the areas of unpaid absence (due to sickness or injury), study leave and entitlement to payment on terminal illness.

Unpaid absences (sickness or injury)

The WorkCover / Unpaid Sick Leave column for reporting in your WDW exists for the benefit of any workers who aren't able to accrue service as normal due to an extended medical absence, where they are still employed by your business but are not being paid by you.

This could be due to having used up their allocation of paid sick leave or because they are being paid through WorkCover/Workers Compensation Insurance/TAC while unable to work.

Once the changes are made, employers will be able to report up to 104 weeks of WorkCover / Unpaid Sick Leave per injury or medical absence for each worker (previously this was 48 weeks).

Study Leave

Workers will be eligible to receive service credits from CoINVEST for any unpaid absence from work up to 26 weeks, where that absence relates to employer-approved study or training. For service credits to be applied successfully to their record, the absence must be approved by CoINVEST prior to the leave being taken.

Payment on terminal illness

A worker will be able to claim a pro-rata long service leave entitlement if they have received a written diagnosis from a medical specialist that they have a terminal illness and have less than twelve months to live from the date of the application for payment. The member must have completed at least 55 days of Continuous Service in order to apply for this benefit.

Thank you

August saw the retirement of Fook Seng Chong, CoINVEST's CIO. Chong has played a major role in all IT projects since starting with the company 31 years ago.

When Chong first joined CoINVEST, there were no PCs; Internet Browsers were not around, let alone the Smartphones we now take for granted. Chong began with the administration of a mainframe, and over the years had a primary role in all the changes leading up to today's modern systems. Now employers can log on to their accounts over the internet, view their details and submit their returns from their desktops; workers can look up their service on their smartphones and make a claim as well. Invoices are sent out electronically, and payments are much easier. Chong not only worked to help bring about all these parts that we all see, but also on all the back-end processes and internal components that make it all happen. All of this successful

transition over the years owes a great deal to Chong's diligence and hard work.

CoINVEST thanks Chong for his long and loyal service to the company. Chong's successor is Tristan Chen, and we look forward to many years of continued improvement in the future.

Roaming the wider world of Victoria is our newest Compliance Field Officer Andrew MacKenzie. Andrew joined CoINVEST in March from a lifting-equipment supply background and has a wealth of experience in construction site matters. Having bedded in well to life at CoINVEST, Andrew is already out on the road visiting employers and workers alike to assist in resolving members' queries.



SITE PROFILE

BRUNSWICK EAST GOES GREEN

Brunswick East is home to the new Nightingale Housing project that sets the standard for sustainable living in Melbourne's inner suburbs. The \$19.6 billion housing project combines the values of eco-friendly accommodation with affordability to deliver a truly modern concept for the Brunswick East community.

The construction project commenced in February 2018 and is based off the highly successful Nightingale Model that puts affordability, sustainability and community

contribution at the centre of its design philosophy. The non-for-profit endeavour, located on the corner of Nicholson Street and Miller Street in Brunswick East, has set the benchmark for sustainable construction and design, having obtained a 7.5 star natHERs rating (exceeding the 6.0 star average).

Nightingale Brunswick East is a co-joint project between architect ClarkeHopkinsClarke, services engineer Simpson Kotzman, structural engineer

Adams Consulting Engineers and interior designer Breathe Architecture.

The vision for the project accounts for the rising concern of environmental degradation and the ongoing need to reduce living costs. The modern space provides a vertical rooftop garden with a communal laundry space to encourage cooperative living between residents. Additionally, the site embraces a 100% green power concept with solar energy and exposed ceilings to promote passive heating and cooling.

Although sustainable builds are recent in trend, Site Manager Sam Moore insists that workers adapt quickly to the changing circumstances and understand what equipments are safe to use. As the September completion date approaches, the Nightingale Brunswick East team have implemented an "all hands on deck approach" to get through the final push.

In the final phase of the project, Nightingale Housing employs between 100 and 110 workers daily to implement final furnishings and bench top installations. Sam and the Nightingale Housing team are excited to provide the benefits of sustainable living to the Brunswick East community.

THROUGH ALL PHASES OF CONSTRUCTION, NIGHTINGALE BRUNSWICK EAST HAS STRIVED TO SOURCE LOCAL, SUSTAINABLE MATERIALS AS WELL AS RECYCLE UNUSED MATERIALS.

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Long Service Leave Fund.