

A semi-transparent white rectangular box containing the text "2018 ANNUAL REVIEW" in a bold, blue, sans-serif font. The background of the entire page is a photograph of a modern interior space with wood-paneled walls, a wooden floor, and a staircase with a glass railing. A large window on the left side shows an outdoor area with a railing and some greenery.

**2018
ANNUAL
REVIEW**



PAUL'S MESSAGE

2018 has been a very active and exciting year for the Joss Group which has ended on a high note with the award of two new Cleaning contracts for the Facilities Management Division.

We have continued to build and improve on our safety performance in the year however there is always more work to do to achieve our goal of zero harm. It is encouraging to see the effort being put in to ensure that every employee returns home safely every day.

It is pleasing to have been recognised for our 'exemplary performance' by the State Insurance Regulatory Authority and be awarded one of only 22 'Teir 1' status companies in New South Wales, this is an incredible achievement and testament to the value we place on our employees through the efforts of our Self Insurance and Injury Management teams.

Reflecting on some of our achievements in 2018:

- Facility Management's Whole of Government Maintenance Contract in North Western NSW and the NSW Land and Housing Corporation Maintenance Contracts in Riverina, Central West and North West continue to deliver exceptional service for their respective Clients, and great opportunities for additional works of a stand-alone nature outside these contracts.
- Facility Management's Whole of Government Cleaning Contract renewals in Southern and North Western NSW was the ultimate reward that now includes a significant increase in regional areas being serviced.

- The Construction Division has again exceeded expectations with their impressive portfolio of successfully completed projects with some real exciting opportunities in front of them.
- The divestment of Warehousing and Forklifts Sales and Service is now complete.
- The Development arm of the company has some solid opportunities.
- Restructuring of the Systems Department is complete with the establishment of the Risk and Compliance Department.

In respect of the Divisions, an anxious year for our Facility Management Division's NSW Whole of Government Cleaning Contract has seen them rewarded with two new contracts that will see them service almost eighty five percent by area of the whole of New South Wales. They were able to secure the areas we already service in Riverina and Western and increase the areas serviced including New England, Illawarra and South Coast. This means we will effectively double in staff numbers in the Cleaning Contracts alone to over 2000 employees on the 1st March 2019. The challenge has been set now for this team and the Company to be ready to 'go live' on this date, as well as maintaining the standards set for our existing areas serviced.

Facility Management's NSW Whole of Government Maintenance Contract (Western) has knuckled down and it is 'business as usual' with the start of their new Contract and they hold the Joss brand in excellent regard, retaining number one position by rank of all contractors for the State. Our current focus in the Riverina, Illawarra and South Coast (where we were unsuccessful with the Riverina Contract) is

to replace the lost work with new contracts that allows us to maintain and grow our presence in the area. These works now include \$5.2M WIN Stadium Northern Grandstand refurbishment in Wollongong, \$1.4M Broken Hill pipeline works for John Holland, Office Upgrade for Murrumbidgee Irrigation in Leeton, and various Toilet, Canteen and Science Lab upgrades for Department of Education NSW.

Facility Management's NSW Department of Land and Housing Contract has stood up strongly to the large number of challenges thrown at them and have matched the Whole of Government Contracts in achieving number one rank of all contractors in the State, an enormous achievement considering the huge areas we service and the difficulties in administering.

Our Construction Division with its Albury and Canberra Offices has had another successful year completing multiple projects including the \$33M MITA Immigration Works at Broadmeadows, \$11.2M Affordable Housing Olive Street Albury, \$6M project for Yackandandah Health, to name just a few. The current works underway include the \$17M Joint Health Command Garrison at Bandiana for the Department of Defence, \$30M P-6 School in North Gungahlin ACT, \$13M warehouse for the Australian War Memorial in ACT, and the New Distance Education Centre in Queanbeyan.

We are back in Young NSW upgrading works we had completed some 20 years ago for Mercy Place Mt St Joseph's Hospital and with the many works for Charles Sturt University, Victorian and New South Wales Departments of Education and TAFE NSW, the team will be busy in 2019.

The Construction Division's Civil and Infrastructure Department has commenced strongly with a full contingent of projects on the books including \$3M civil works packages at Pukapunyal and Graytown ranges, \$2.4M New Entry Works at the Albury Wodonga Military Area, Civil works at Bandiana and a major Stormwater & Infrastructure Works Project at Victoria Barracks in St Kilda Road Melbourne for the Department of Defence. This coupled with a steady flow of new works to tender will see this Department busy in the New Year.

To cater for this growth,

- the company has opened a new office in Canberra that now houses both Construction and Facility Management,
- a new branch office has been established in Tamworth and is fully operational, and there are plans to expand this office along with existing offices at Wollongong and Batemans Bay,
- new branch offices in Moree and Armidale are planned for early in the New Year in preparation of the new contract for the Facility Management Division.

The Board again has been actively seeking new development opportunities this year. We have partnered with our Construction Division to develop a new Quest Apartments Accommodation in Wangaratta that will consist of 72 rooms for the Quest Group, and a new Warehouse Facility for Elders in Albury. A focus for next year will be to progress another Quest Apartment project with some commercial tenants in Bathurst that will complement the Group's holdings.

In order to support this workload, my thanks go to our support groups who, without them we would not be able to realise these accomplishments. In particular to those who keep our IT systems going, those that manage the increased numbers of people and align them with our company values, the entire team that return an injured worker back to the workplace as soon as possible, the essential audit and compliance functions, the workshop and depot and the administrative and finance groups.

With this growth in numbers it is important that we don't forget the family values that underpin the culture at Joss and that we all have a responsibility in ensuring that our new employees are aware of what we value at Joss i.e. we

- Collaborate openly with clients, partners and the community.
- Value each individual.
- Work safely as a team.
- Act fairly and reasonably.
- Deliver on our promises.

I would like to thank our trusted and valued clients for their continued and loyal support, and our amazing team at Joss for their outstanding efforts throughout the year - let 2019 be another year of success for all.

Regards, Paul.

Paul Joss
Managing Director, Joss Group



JOSS GROUP COMPANY DIVISIONS

From humble beginnings in 1975, privately owned company Joss Group (Colin Joss & Co Pty Ltd) has experienced significant growth and development to establish itself as a leading provider of a range of quality complementary services across regional NSW, Victoria and ACT.

Today, Joss Group consists of two main divisions:

- Joss Construction
- Joss Facility Management

Our head office is located in Albury NSW, with regional offices located in Deniliquin, Griffith, Wagga Wagga, Fyshwick, Wollongong, Batemans Bay, Bathurst, Orange, Dubbo, Bourke, Broken Hill, Tamworth, Moree, Armidale and Mildura.

JOSS CONSTRUCTION

Joss is one of the Riverina's largest and most trusted building contractors. Our reputation is built on our successful delivery of complex and challenging projects, achieved through the technical and professional capability of our people and our collaborative approach towards the common goal, to deliver high quality solutions.

JOSS FACILITY MANAGEMENT

For over 20 years Joss Facility Management has been providing high quality building and asset maintenance services throughout regional NSW, Victoria and the ACT. With offices in Albury, Deniliquin, Griffith, Wagga Wagga, Fyshwick, Wollongong, Batemans Bay, Bathurst, Orange, Dubbo, Bourke, Broken Hill, Tamworth, Moree, Armidale and Mildura, Joss Facility Management has coverage of 80% of regional NSW with cleaning and maintenance contracts. Joss Facility Management provides a wide range of services to a varied Client base from both the public and private sector.



FACILITY MANAGEMENT

2018 has seen Joss Facility Management complete Year 7 of the Whole of Government Facilities Management Services Contracts (maintenance and cleaning) for the NSW Department of Education (DoE), NSW Fire & Rescue and Ambulance NSW in the Riverina, Illawarra South Coast and Western NSW regions which commenced on the 1st July 2011 and operated through to the end of June 2018.

Our Cleaning Division continues to boast an impressive portfolio which consists of 1017 Sites and 1156 staff throughout North Eastern Victoria and Regional NSW, providing cleaning services to both government and commercial properties such as Essential Energy, Roads and Traffic Authorities, Department of Lands, Department of Agriculture, TAFE NSW, Local Councils, Court Houses, NSW Police, Government offices, State Water, Correctional Facilities, National Parks and Wildlife, Department of Industry and Investment, NSW Ambulance, Department of Fair Trading, Ageing Disability and Home Care, Department of Education including junior, secondary and special needs schools, NSW Sport and Recreation, NSW Catchment Authority, Department of Primary and NSW SES facilities.

With changes in the manner in which Government has tendered the new maintenance and cleaning contracts and moved away from the Whole of Government strategy for the next contract period, extension of our cleaning contracts in Riverina and Western NSW was granted until 28 February 2019.

We were advised on the 23rd of November that our tender submissions for the new larger Southern and North Western NSW contract regions was successful which will see us retaining the Riverina and Western regions we currently hold and increase our presence into the New England and Illawarra South East regions of NSW. This will see our services covering 1682 sites and in excess of 2000 cleaning employees with a contract term of six years commencing on the 1st March 2019.

For our maintenance contracts we were unsuccessful in retaining the Riverina and Illawarra South East contracts however retained the existing Western NSW contract area which now encompasses the New England region, providing an additional 205 sites being a mix of schools, Fire and Ambulance Stations. This result has seen new offices open in Tamworth, Moree and Armidale. For Riverina and Illawarra South East regions we have maintained our presence by retaining staff and office locations and have successfully implemented our new service delivery model and Client focus strategies.

The Facility Management Services Contract with La Trobe University which covers regional campuses in Wodonga, Shepparton and Mildura has entered its seventh year, and continues to exceed the Key Performance Indicators which has resulted in the contract period being extended to January 2019.

Our NSW Land and Housing Corporations (LAHC) Asset Maintenance Services Contract which commenced on the 1st April 2016 continued to provide significant challenges however our experienced team continue to deliver contract outcomes to a very high standard which has resulted in our No. 1 ranking across the state. This contract has an initial contract term of five years with two, two year options, giving potentially a nine year contract period.

These contract regions cover approximately 8,600 properties throughout the Riverina, Central and North Western regions of NSW and are made up of a mix of free standing Dwellings, Units, Townhouses and Villas, where we are contracted to undertake Responsive Works, Planned Works, Vacant Restorations, Modifications, Lawns Grounds and Cleaning, Building Essential Services and Fire Restoration works. This new contract has resulted in the employment of an additional 72 management and administrative staff across three regions.

The Facility Management Service contract at the recently constructed Coombs P-6 School in the ACT continues to perform well. This project was a joint submission in conjunction with Joss' Construction Division who completed the design and construction of the new school. A second joint submission has also been successful with the recent award of the North Gungahlin P-6 School to the Construction Division which is due for completion in January 2019, will again see Joss Facility Management commence a ten year maintenance contract for the site.

Joss Facility Management has continued to tender on projects externally to our established contracts and has been successful in undertaking a number of these works over the last twelve months.

It has been an exciting time for Joss Facility Management with the award of our cleaning contracts and we look forward to our continued working relationship in what will be another busy year.

Graham Groth
General Manager, Joss Facility Management



Above: Headspace Broken Hill
Left: Batlow Fire Station
Below: WIN Stadium





Ranges Civil Works Puckapunyal & Graytown. G70 Bridge construction of new 110T limit gabion bridge.



Vic Barracks Stormwater Infrastructure. Commencement of the relining works in the heart of Melbourne CBD.



CSU Bathurst Roads and Carpark. Construction of Village Drive and Gymnasium Carpark, Stormwater Infrastructure works.

CONSTRUCTION

2018 has seen Joss Construction continue to expand its footprint in Canberra and the Civil & Infrastructure sectors.

Joss Construction and the construction industry, as a whole, continue to experience tight market conditions translating to squeezed margins and tight construction programs. Converting opportunities into projects proved to be just as difficult as the previous year.

HIGHLIGHTS FOR 2018 INCLUDED:

- Maintaining safe workplaces and a positive safety culture.
- The continued growth of our Canberra branch and Civil Infrastructure department.
- Commencing work on the \$17M Defence Joint Health Command Garrison Facility Upgrade - Albury Wodonga Health Centre.
- Completion of the:
 - \$33M Melbourne Immigration Transit Accommodation Redevelopment (MITA), Broadmeadows VIC Project;
 - \$6M Yackandandah Health, New Residential Care and Assisted Living Units;
 - \$11M Affordable Housing Development, Olive Street, South Albury;
 - The rapid role out of 5 TAFE Colleges throughout NSW totalling \$18k.

CANBERRA BRANCH HIGHLIGHTS 2018:

- Commencing work on the:
 - \$13M Australian War Memorial Large Technology Objects Store Project.
- Continuing work on the:
 - \$30M North Gungahlin Pre-School - Year 6 School;
 - \$13M Queanbeyan Distance Education Centre.

CIVIL AND INFRASTRUCTURE DEPARTMENT HIGHLIGHTS 2018:

- Successfully delivered a range of roads, bridge and infrastructure projects.
- Commencing work on the:
 - Ranges Civil Works Puckapunyal & Graytown;
 - Albury Wodonga Military Area Entry Works project at North Bandiana & Latchford.
- Completion of the:
 - Bandiana Sewer Relining & Infrastructure Upgrade.

Notwithstanding the very competitive environment, Joss Construction has had another solid year. Thanks to the commitment of our staff, Joss Construction has once again finished the year strongly, securing a number of projects and identifying many future opportunities.

Our geographical footprint remains firmly planted over a large area that currently includes Albury/Wodonga, Bathurst, Canberra, Griffith, Young and Wagga Wagga to name but a few.

Our success continues to be the result of the professionalism and commitment of our construction team. So, it is with great optimism and confidence that we look forward to another successful year in 2019.

Martin Reid
General Manager, Joss Construction

CIVIL AND INFRASTRUCTURE DEPARTMENT CANBERRA BRANCH

2018 has seen the Civil and Infrastructure branch expand its footprint into New South Wales and Victoria. During 2018 projects have been completed from Bathurst in the North to Melbourne in the South and have involved major infrastructure works from roads, drainage, sewer, electrical and landscape.

MITA 5

In November 2017 we commenced our fifth successive project at the Melbourne Immigration Transit Accommodation (MITA) centre for the Department of Home Affairs. This project involved the complete redevelopment of the third stage to allow the Department to manage a more difficult caseload that is trending towards high risk detainees. The redeveloped facility now consists of 140 maximum security beds with associated infrastructure and security measures consistent with a maximum-security prison.

As with previous stages at MITA there were significant complexities around inground contamination that required remediation in the early stages of the project which placed pressure on the program, however with the commitment of our onsite personnel we were able to successfully achieve practical completion of the main project, a \$33M spend, in a little over ten months.

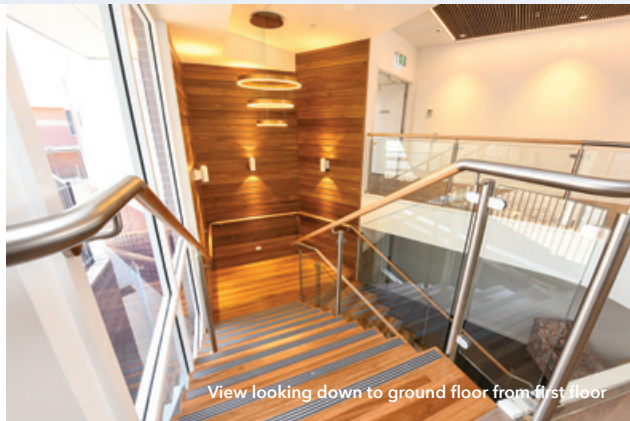
Joss Construction expanded its commitment to the ACT and South Coast areas with the introduction of a new office in Canberra. With façade features and internal finishes based on the Albury office it is a striking addition to the Fyshwick area. The floor plan provides 570m² of office space and 380m² of warehousing. The office area provides space for both Construction and FM divisions, conference room, amenities, kitchen, and large space for the company to grow into. Ample on site car parking compliments the overall functionality, and a large roller shutter access into the warehouse allows deliveries to be accepted. Over time the warehouse will slowly build a base for construction equipment to service some of the site needs.

The office area is insulated with a Kingspan panel wrapping up the walls and below the roof, and double glazed windows which assist with thermal and noise issues. Internal climate is controlled with 9 zones which withstood the low temperatures experienced in August.

We are excited by the opportunities presenting in Canberra, and equally excited about building our Construction Division to make full use of this new facility.



Joss Canberra



View looking down to ground floor from first floor

YACKANDANDAH HEALTH - STAGE 1

Yackandandah Health Stage 1 project was a two-staged development extending the existing Yackandandah Bush Nursing Hospital.

The works consisted of 10 new self-contained Residential Care apartments and 16 studio style Assisted Living Units offering a quality lifestyle and social connections.

Construction is of a domestic nature but did contain significant earthworks due to the sloping site. The project involved substantial VicRoads upgrade works, car parking, internal road works and North East Water sewer main diversion works.

The accommodation is spread over 2 levels and incorporates a lift for resident use. Internal and external finishes are of a high quality as it is critical to the clients that their aged care facility creates a safe and homely environment.

Throughout the duration of the project Joss had to ensure that consideration was given to working on an operational facility, particularly in terms of working hours, noise, dust and access.

Works were completed to the complete satisfaction of both the Superintendent and Client.



View from rear of Yackandandah Health, prior to the Client landscaping



Standard 1 Bedroom Apartment, Kitchen



TAFE NSW CLC, Corowa

TAFE NSW NEW CONNECTED LEARNING CENTRES (CLCs) COROWA, DENILIQUIN AND NARRANDERA

Joss was awarded TAFE NSW new Connected Learning Centres (CLCs) Corowa, Deniliquin and Narrandera simultaneously. Each CLC was custom designed to utilise modern, digitally-enabled technologies, such as simulations and virtual reality experiences, offering Students a wider range of choices, more accessibility, practical training, and flexible learning with better access to teachers and support services.

Joss worked closely with the Client and Project Manager to ensure a positive outcome for all parties involved. This saw the project completed on time. The Client recognised the performance of our team by awarding Joss with two more CLC projects at Bega and Grenfell.



TAFE NSW CLC, Deniliquin



TAFE NSW CLC, Narrandera

MANAGEMENT SYSTEMS

RISK AND COMPLIANCE

This has been a year of growth and development for what was previously the Systems Management Team within Joss.

Early in 2018 Joss responded to the specific growing needs of each Division and allocated Systems Co-ordinators from the Systems team to assist the Division Managers implement, monitor and report on the Health and Safety, Environmental and Quality performance as HSEQ Co-ordinators. This approach recognises the more consistent resource needs of each Division, allows the HSEQ Co-ordinators to become more specialised and the Division Managers to respond to their issues and risks more directly.

To monitor this approach, maintain compliance of our management systems and in order to achieve a consistent risk profile and continual improvement across the Company, the Risk and Compliance Team was established.

Although it was a year of change in many ways, personnel have worked diligently to ensure that all systems have remained fully implemented. In May, our Safety, Quality and Environmental Systems were again re-certified by SAI Global and our prequalifications across various states continue to grow with our expansion into Civil Works and the ever-increasing value of works that we perform.

The Consultation Committee worked very hard on behalf of their workgroups again this year and it too saw some growth with two new workgroup positions established. These Elected Health and Safety Representatives are constantly providing input and feedback on ways that we can continually improve our work practices and they should be thanked for their efforts and contribution to the ongoing implementation and continued development of our Systems.

This year has been a team effort to ensure that the work we perform is carried out safely and to a high standard and we, and the Directors, recognise the importance and effort of every worker. Similarly, every worker should be proud of what they help us, as a Company, to achieve.

Jeff White
General Manager, Risk and Compliance Systems

INJURY MANAGEMENT

Injury prevention and proactive injury management for all our employees has again been successful over the past 12 months which has seen a further reduction in the number of claims and in the duration between the date of injury until full medical clearance. We have continued to expand our relationship with treatment providers to enable our employees to obtain prompt and appropriate treatment.

Our performance has been recognised by the State Insurance Regulatory Authority under their new management and performance requirements for organisations who self insure their workers' compensation arrangements. Introduced this year, the Authority has established a comprehensive set of compliance and performance requirements that include an evaluation of return to work rates, proactive management and return to work objectives. It is with pride that we were awarded a Tier 1, (top tier) allocation. This tier rating is awarded to only those organisations that demonstrate 'exemplary performance' in the areas of case management practice, focus on RTW outcomes and prevention, data quality and resolution of complaints.

Further to being recognised as an exemplary performer we have also been issued with the maximum 8 year Self Insurance Licence.

We remain committed to prevention of injuries and will continue to be proactive in our injury management. We recognise the value of our employees and will continue to provide support and prompt service in the event someone is injured. We are proud of the recognition and reward we have achieved and we will continue to maintain this standard across all areas of prevention and injury and claims management.

Fleur Thompson
Injury Department Manager



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