

Year at a Glance

- New Board appointed in November.
- In consultation with the actuary Portfolio Planning Solutions, the new Board carried out a review of both the recommendations of the Sheridan Report and the Construction Industry Long Service Leave Act.
- The levy rate was increased to 2.5% from 1st March 2003. Levy income increased to \$6.4 million.
- The scheme's accrued liability increased by 11.8%.
- Actuarial review of the Fund at 30th June 2003 identified an accrued liability of \$30.97 million.
- \$27.54 million net value of assets at 30th June 2003.
- Investment return of 3.4%. \$value of investment portfolio increased by \$2.4 million.
- Both Greenhill Road properties sold following a review of investment strategy.
- Average weekly earnings increased by 4.4% to \$705.
- 903 claims processed at a cost to the Fund of \$3.3 million.
- Registration levels increased by 5.5% to 18,905.
- 159 new employers and 3042 new workers were registered during the year.
- Royal Commission into the Building and Construction Industry supported the retention of the schemes and acknowledged work of National Forum.
- Improved compliance auditing and general industry presence achieved following restructuring of Industry Liaison Unit.
- Increase of 32% in the number of clients registering for Internet access.

Details of the Board's operations in 2003/2003 are available in the Annual Report. This may be downloaded from www.cbserv.com.au

Board Membership

Board member David Steel resigned in September to take up the position of Industrial Relations Commissioner and Enterprise Agreement Commissioner with the Industrial Relations Commission of South Australia.

David has served on the Board as an employer representative since July 1996. Business SA are in the process of nominating a replacement member.

Internet Access

At CBS, we are constantly seeking ways of improving our service to clients while reducing our costs to the industry.

Both workers and employers can now access their personal long service leave records online 24 hours per day, 7 days per week.

Since introducing on-line access to member records, many workers have registered to use the facility. Rather than waiting for their certificate each year, they can regularly check to see how much long service leave they have accrued. As soon as information from an Employer Return is processed, it is available to view on-line.

On this year's Annual Worker Certificate, an Internet password was issued to all workers. This is used in conjunction with their worker registration number to provide "enquiry only" access to their long service leave records.

Workers can apply to CBS to change this password and request "amend access" that will enable them to make changes to their personal data such as address changes.



Investment Markets More Positive

The Board is pleased to report an investment return of 3.1% for the four-month period ending 30th November 2003. This capitalises on the excellent result of 3.4% achieved in 2002/2003. In \$ terms, this represents an increase of \$0.8 million in the net equity of the Construction Industry Fund.

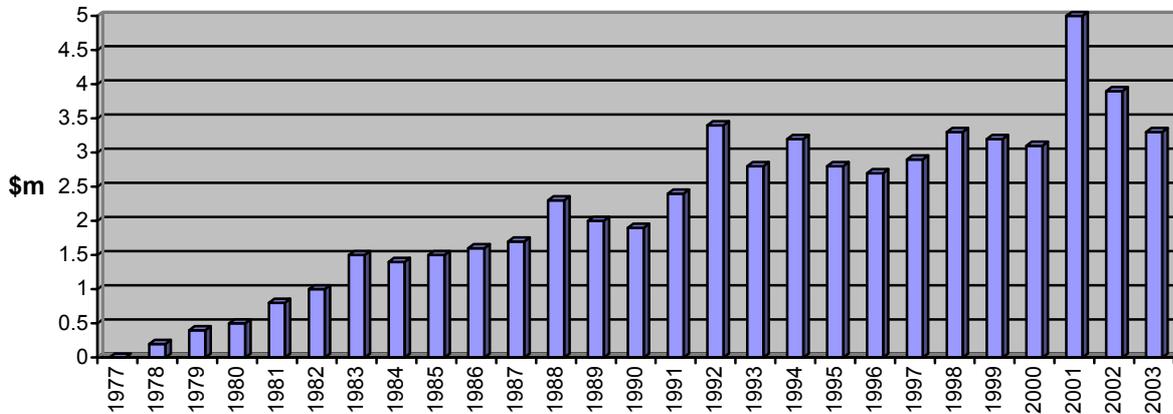
On the advice of its investment consultant, the Board has implemented a staged reweighting to benchmark for international equities.

The Board shares the industry's optimistic view of positive returns in 2003/2004 across all asset classes.

Scheme funds \$60m in Payments to Workers

Since the inception of the scheme, the Board has paid out approximately \$60m in entitlements to workers in the industry.

The Board's Chief Executive Officer Mr Ian Hopkins said "77% of these workers had accrued service with more than one employer. This is testimony to the need for and success of the scheme."



Taking Long Service Leave

When one of your workers wishes to take long service leave, they need to ensure it is convenient with you prior to applying to the Board.

Section 16(2) of the Construction Industry Long Service Leave Act states:

"Long service leave must be granted by the employer by whom the construction worker is employed when the entitlement arises as soon as practicable (taking into account the needs of the employer) after the person becomes entitled to the leave."

Workers may take 13 weeks leave once they have accrued 2600 days with the scheme. This can be taken in separate periods of not less than 2 weeks duration.

Submission to Government on Act

Following an extensive review of the Construction Industry Long Service Leave Act and industry consultation, the Board forwarded to the Minister for Industrial Relations in October a submission recommending amendments to the Act.

The objective of the amendments is to improve the sufficiency of the Construction Industry Fund through the reintroduction of the levy on apprentices, expanded powers in determining levy rates and capacity to provide administrative services to other Funds.

The Government has not yet indicated its position on the proposed amendments. The industry will be informed of the outcome in due course.

Workers Compensation

When a worker suffers an injury in the course of their employment and is entitled to compensation by way of income maintenance under Workcover legislation, the worker's employer must continue to pay long service leave levies to the Board until they are terminated as a worker (subject to approval by Workcover) up to a maximum period of 2 years.

FBT Exemption

The Australian Taxation Office recently advised employers of changes to Fringe Benefit Tax laws affecting employers who make payments to worker entitlement funds.

They also advised you needed to ensure the worker entitlement fund you were paying into was prescribed or would be prescribed by 1 April 2004.

Please be advised the Construction Industry Long Service Leave Board is a prescribed fund.

Any other queries relating to fringe benefit tax should be directed to the Australian Taxation Office.

Christmas Office Hours

Construction Benefit Services will close from 12 noon on Wednesday 24th December 2003.

We apologise for any inconvenience this may cause and would be pleased to assist with your enquiries when we reopen on Monday 5th January 2004.

**Merry Christmas
and a
Happy New Year**