



# the benefit

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CONSTRUCTION WORKERS

2003

## The Year in Review

Despite the difficult environment of volatile investment markets and escalating scheme liability, the Board made steady progress during the year. The Board was able to provide a comprehensive and improved range of services to construction industry workers despite a reduction in staffing levels.

The appointment of a new Board did not occur until late November. This delay resulted in the Government deferring consideration of the findings of a review of the Board and role in administering the scheme.

The new Board has as a priority, reviewed the Construction Industry Long Service Leave Act and is currently developing a package of amendments which address the outcomes of the review referred to above and the scheme's unfunded liability.

The cost of the scheme to employers increased to 2.5% from the 1st March 2003 generating an additional \$1.2 million in levy income per annum. This improved cash flow will provide the Board with more investment opportunities.

Although the investment return fell short of the objective, the Fund's return of 3.4% exceeded the median return of -2.4% achieved by pooled funds.

Subject to final audit, the state of the Construction Industry Fund at 30th June 2003 was \$26.53 million. This is a 9.8% increase on 30th June 2002. Average weekly earnings at 30th June were \$703, an increase of 4.2%.

The 30th June 2003 registration levels increased by 4.3% to 18,685 and were reflective of industry activity and confidence. A total of 903 claims were paid during the year at a cost to the Fund of \$3.3 million. This is the lowest level of claims processed since 1999/2000. All state schemes worked together to improve payment processes under the National Reciprocal Agreement.

Other client service initiatives included expanding the information capacity of the Board's web site and promotion of this facility to workers, increased site presence and consolidation of documentation to streamline return processes for working directors and self-employed contractors etc.

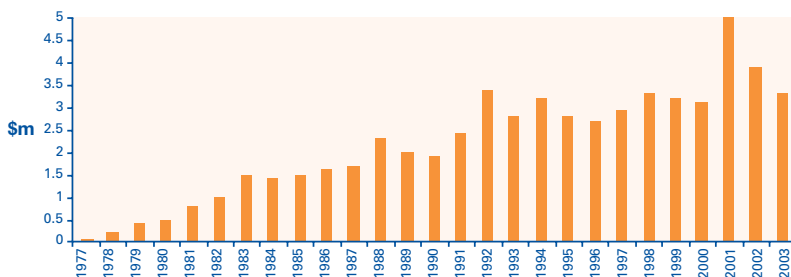
The Royal Commission into the Building and Construction Industry presented its final report to the Federal Government in March. The Report acknowledged the importance of the industry's portable long service leave schemes in that they provide a benefit that would otherwise not be achievable and also the merit in achieving uniformity in the schemes (benefit levels, collection of levies etc.). These issues are matters for the respective State Governments to address.

Looking ahead to 2003/2004, management and staff will support the Board in administering the scheme in the best interests of all client groups with an emphasis on improved productivity and quality of service.

## 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."



## New Board Appointed

A new Board was appointed on the 28th November 2002 for a term concluding 30th June 2007.

On the nomination of the industry, two new employer representatives have been appointed.

They are Jim Whiting (Managing Director, Badge Constructions) and Steven Hall (Managing Director, Industrial Plumbing Services).

The three worker representatives are unchanged.

Margaret Sexton is the new Presiding Officer (independent member nominated by the Minister for Industrial Relations).

Margaret is the Executive Officer of the SA Light Manufacturing Industries Training Board, which covers the forestry, furnishing, textile, footwear and clothing industries in South Australia. She has extensive Board and management experience. Her employment background has included the government, union and adult education fields and she was more recently a senior researcher on workplace change at the University of Adelaide.

Margaret's vision for the Construction Industry Long Service Leave Board for the time of her appointment is for the attainment of stability and certainty for the industry with regard to long service leave costs and benefits.

"This is an important defined benefit scheme that offers positives for the employers and employees in the construction industry and that must be well managed to ensure its financial stability."



Board members left to right: Nigel Lean, Margaret Sexton (Presiding Officer), Jim Whiting, Steven Hall, David Steel (Ben Carslake & John Gresty absent)

## what's

inside	New Board Appointed	1
	The Year in Review	1
	Scheme Funds \$60m in Payments to Workers	1
	Investment Performance	2
	Building Activity Drives Increase in Registrations	2
	Property Sale	2
	CBS Changing Address	2
	What is your new address?	2
	Industry Liaison Update	2
	Access your records on our Website	3
	Royal Commission into the Building and Construction Industry	3
	Interstate Schemes	4
	What should I do if...	4

## Investment Performance

At a time when workers are confronted with media articles on the likelihood of funds achieving negative returns for the second successive year, it is important to firstly reassure workers the Act in its present form provides the following defined benefits.

- 13 weeks leave after ten years service;
- 7 weeks leave after seven years service (pro-rata payment in certain circumstances)

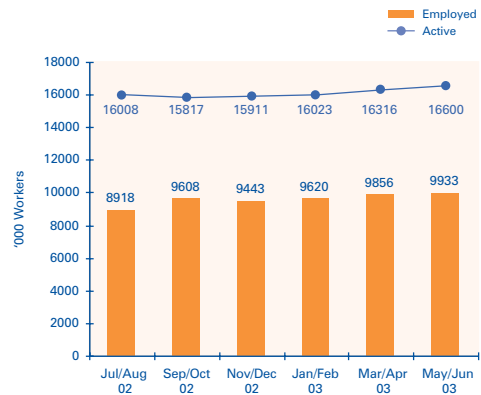
The Board has a statutory responsibility under the Act to pay worker entitlements. Payment is calculated either at the award rate or in the case of enterprise bargaining agreements, the average rate of remuneration over the last twelve months.

Investment returns are vital to the ongoing viability of the scheme. Returns are however beyond the control of the Board. The Board has developed a strategy in consultation with an investment consultant that aims to reduce the possibility of a negative return occurring more than once every five years. The 2001/2002 return of -4.5% was the first negative return achieved by the Board since the inception of the scheme in 1977. The investment strategy, including the performance of sector fund managers, is the subject of ongoing review.

The Board is pleased to report a return of 3.4% for 2002/2003.

## Building Activity Drives Increase in Registrations

The table below reflects the increase in registration levels experienced by the Board due to building activity and business/consumer confidence.



## Property Sale

As part of the ongoing monitoring of investment strategy, the Board has over the last twelve months sought to reweight property investments.

In view of the market for property along Greenhill Road, the Board elected to sell both properties at 81 and 83 Greenhill Road. This occurred in late February.

The proceeds from the sale have been utilised to increase investments in other asset classes, including indirect property through the Citigroup Securities Property Trust.

## CBS changing address

Following the recent sale of our buildings at 81 and 83 Greenhill Road, the Board has leased offices at the rear of the 1st Floor at 83 Greenhill Road from the new owners.

Once minor refurbishment has taken place, CBS will move to its new premises from early September.

Telephone numbers will remain unchanged.

## What is your new address?

Each year, many Annual Worker Certificates are returned unclaimed as workers have not advised their change of address.

A quick telephone call to notify us is all that is required, subject to some identification checks for privacy reasons. Alternatively, register with our website and you can update your information on-line at any time.

Click the "Log on Here" link at [www.cbserv.com.au](http://www.cbserv.com.au) for more information.

## Industry Liaison Update

During the year, the Industry Liaison unit was restructured with the employment of an Assistant Industry Liaison Officer, Peter Sifkus.

Peter will provide administrative support to our two Industry Liaison Officers Terry Redman and Mike Shanahan, allowing them to spend more time on site.

Peter will also make presentations to industry groups and TAFE colleges about the scheme. All Industry Liaison staff are available upon request to address workers on sites.

Country areas have not been ignored throughout the year, with officers visiting the South East, Riverland, Murray Bridge and Victor Harbour regions.

Industry Liaison Officers will shortly trial laptop computer access in the field. This will enable workers on site to check their current employer registration and accrued long service leave.



Peter Sifkus talks to apprentices at a TAFE college recently



# www.cbserv.com.au

## Access your records on our website

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

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 this facility. Rather than waiting for their certificate each year, they can regularly check to see how much long service leave they have accrued.

On this year's Annual Worker Certificate, you will find a password that can be used in conjunction with your worker registration number to provide "enquiry only" access to your long service leave records.

You can apply to CBS to change this password and request "amend access" that will enable you to make changes to your personal data such as when you change address.

Our web address is [www.cbserv.com.au](http://www.cbserv.com.au).

As this may be the last year we issue Annual Worker Certificates to all workers in paper format, you are encouraged to log onto our website to check out the facility. As most employers lodge information with us every 2 months (some monthly & annually), you will notice your service days increasing throughout the year.

## Follow these easy steps to access your long service leave records



Visit our website at [www.cbserv.com.au](http://www.cbserv.com.au)  
Click the "Log on here" link



In the WORKERS section,  
Click the "Enquire on your records" link.  
If you wish to "Change your details" you will need to contact CBS so we can activate this access.



Type in your CBS Worker number  
Type in the Password exactly as it appears on your Annual Worker Certificate.  
Click the "Login" button



This page shows the personal details we have recorded for you, a summary of the days entitlement you have accrued with the scheme, any days you have taken as long service leave, and your current entitlement.



This page shows a list of the employer names, period of employment and days registered for all employers that have registered you with the scheme.



This page shows any long service leave payments you have received from CBS.

## Royal Commission into the Building and Construction Industry

The Final Report of the Royal Commission into the Building and Construction Industry was tabled in Parliament in March 2003.

Chapter 12 "Long Service Leave Funds in the Building and Construction Industry" provided an overview of all state schemes, investment strategies, etc. The only recommendation relating to long service leave was:

"The Commonwealth encourage the states and territories to ensure that moneys held or received by long service leave funds should be used only for the purpose of paying employees' long service leave entitlements."

The Report also flagged issues such as benefit levels being maintained at their current levels despite the Funds' inability to pay for them from self-generated income, uniformity of legislation and nationalisation of the schemes.

The Report can be viewed on the Commissioner's website [www.royalcombcgi.gov.au](http://www.royalcombcgi.gov.au)



## What should I do if.....

### I disagree with the details on my Annual Worker Certificate

If you identify any problems or have a query in relation to your service, please contact us on 8271 1222 or toll free on 1800 182 124 (if you live in the country areas of South Australia). You can also email us at [enquiries@cbserv.com.au](mailto:enquiries@cbserv.com.au)

Please note it is CBS policy to only investigate claims for retrospective service for employment that occurred within 5 years of you bringing the matter to our attention. Your employer must be locatable to verify the period of employment and be in a position to pay any outstanding levies.

Claims for such service must be forwarded in writing to CBS with supporting documentation such as group certificates or taxation records to substantiate your claim.

### I am moving interstate

Inform CBS of your new address.

Contact the scheme in the State you are moving to (no scheme in Northern Territory) to register for long service leave purposes. Each State administers a separate Fund.

When you accrue enough service days, you apply for long service leave in the State in which you are working at the time. Each State will agree on their proportion of the payment you receive.

### I become self-employed

If you were previously registered with the scheme as a worker and have become self-employed, you may be able to transfer your accrued service credits across to the self-employed contractor scheme.

You can build on these credits and take long service leave once you have accumulated 2600 days service in the construction industry.

Service days accumulated as a worker will only be preserved if you contribute to the scheme as a self-employed contractor. Registration alone will not preserve your credits.

You can preserve your worker service credits if you commence contributing to the scheme within 2 years from the date you cease employment if you have less than 5 years service (1300 days) accrued as a worker, or within 3 years if you have over 5 years.

You must also register with the scheme within 6 months of commencing as a self-employed contractor.

### I change employers

When you change employers, provide them with your worker registration number to ensure they register you with CBS.

Your new employer is required by law to register you within one month of your employment commencing. Penalties can be imposed for non-compliance.

### I want to take long service leave

Once you have accrued 2600 days service, you can take 13 weeks leave in minimum periods of 2 weeks duration each.

Telephone CBS when you are ready to take leave. You can receive your payment by either cheque or direct into a nominated bank account (EFT). You will need to provide your income tax file number, BSB and account number if you choose to be paid by EFT.

Please note it is illegal to be employed whilst on long service leave.

If you cease employment and have at least 1820 days service, you can apply for a pro-rata payment.

### I want to know how much service I have registered

The Annual Worker Certificate enclosed with "The Benefit" advises the amount of service you have accrued with the scheme during the year and provides a summary of your long service leave entitlement.

By registering with our web site, you can view this information at any time.

As most employers lodge information with CBS at least every two months (some monthly and employers of apprentices only lodge annually), you will be able to keep track of your long service leave accruing more frequently.

### I am offered employment while on long service leave

Workers are reminded it is illegal to continue working whilst on long service leave.

Under the provisions of the Construction Industry Long Service Leave Act 1987, workers and employers found in breach can be prosecuted and fined a maximum of \$1000.

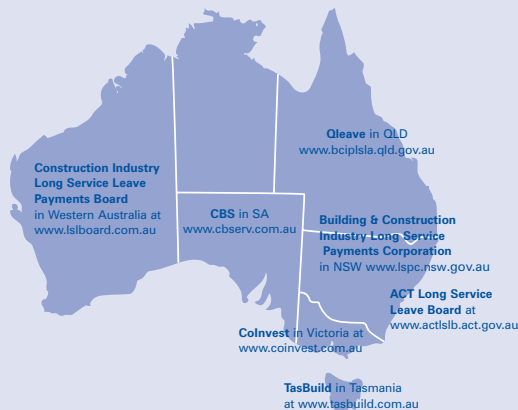
## Interstate Schemes

An agreement exists between all State schemes (except the Northern Territory) allowing you to move interstate to work in the industry and continue accruing long service leave credits.

Workers should monitor their total combined service accrued in all States and apply for long service leave once they have met the service requirements of the State where they are living and working at that time.

All long service leave schemes in Australia have web sites that provide useful and important information about their respective schemes.

If you are about to move interstate to work or have previous service recorded in another scheme, you should check out their web sites at these addresses.



### Construction Industry Long Service Leave Board

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