

Construction Industry Long Service Leave Board

Address: 1st Floor, 83 Greenhill Road, Wayville, 5034 **Telephone:** 8271 1222 **Facsimile:** 8373 2740 **Toll Free:** 1800 182 124 (SA Country)
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SA CONSTRUCTION INDUSTRY THE WINNER

In January, the Board was selected to provide consultancy and support services to the Northern Territory Government in establishing a portable long service leave scheme for construction industry workers in the Territory. The awarding of the contract to South Australia culminated a year of hard work on the part of Board management. The initiative was supported by the Minister for Industrial Relations who formally directed the Board compete for such projects.

The contract is for a term of two years with the option for an additional one year extension.

The Board has had a physical presence in Darwin since March assisting in the development of the scheme's infrastructure, policy, operational processes and providing field support to the Board (NT Build). The scheme, which commenced on the 1st July 2005, will benefit all construction workers transferring to or from the Territory. The scheme in this state will benefit from improved funding levels and potential alliances with NT Build.



The Darwin Waterfront Project is now underway. The total project has an estimated value of \$1billion. Construction of the various stages will span over 15 years.

Further information on the scheme can be found on the website www.ntbuild.com.au or by phoning 1300 795855.

SERVICE TO BE RECOGNISED IN NT

Following the introduction of the new portable long service leave scheme in the Northern Territory, steps are now underway to include the scheme in the National Reciprocal Agreement which all other States and Territories are party to.

The timing of the new agreement is dependent on the required legislative measures being implemented by the state Boards. Once this has occurred, long service leave in the construction industry will be portable across all states and territories. Workers will now be able to work in the Northern Territory without risking the loss of service accrued in other states.

LEGISLATION UPDATE

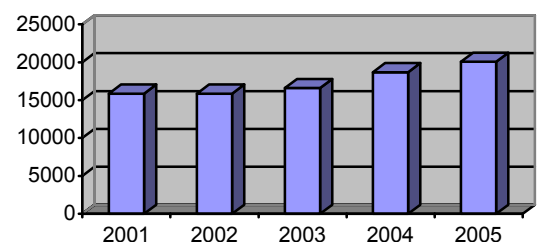
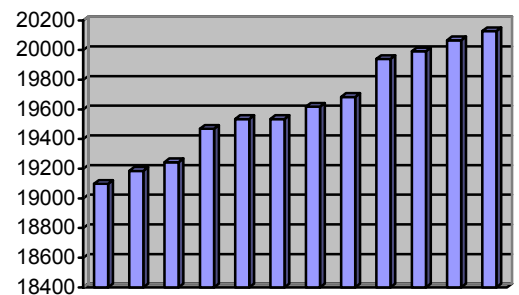
Last August, we reported the Board had recommended to Government the Act be amended to expand powers in the areas of levy determination, contracting of services to other agencies, levies on apprentices etc. Other changes sought will improve the operational effectiveness of the Act.

It is regretted the Government's legislative program will prevent the introduction of this legislation before Parliament until the first session of Parliament next year

INDUSTRY UPDATE

Board employment data confirms the current buoyant state of the industry in South Australia. At the 31st July there were 20,128 workers registered.

The following graphs detail worker registration details for the period 1st August 2004 to 31st July 2005 and the last five years.





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NEW COMPLIANCE MEASURES INTRODUCED

CBS is implementing more stringent measures which target employers who fail to lodge return forms and pay the required long service leave levy by the due date.

The following up of the above breaches increases the cost of administering the scheme. These costs are funded by those employers who do lodge returns and pay levies on time.

Return Forms must be lodged with the calculated levy within 21 days after the end of each return period.

A \$75 penalty fine will be imposed if lodged beyond the due date. The Board is also able to impose penalty interest at the rate of 20% per annum on the outstanding balance.

The Board has previously had no alternative but to issue summons on several employers who continually breached. Convictions carry a maximum penalty of \$5,000 for each offence. Importantly, convictions recorded against an employer affects their credit rating.

While litigation is used as a last resort, the Board cannot accept a situation which is inequitable. Prompt attention to the lodgement of returns and levies will avert this action.

NEW WORKER REPRESENTATIVE FOR BOARD

In May, worker representative Nigel Lean resigned as a member of the Board. His position will be filled by Deputy Member Bob Geraghty for the remaining term of this Board.

Bob is the current SA Branch Secretary of the CEPU Electrical Division. He has worked in the industry since 1965. Bob's experience on other boards (eg. Construction Industry Training Board, Metals Engineering & Related Services Training Board) and in other roles as Director (Plumbing Electrical Electronic Refrigeration Technical Education Centre) and Trustee (Electricity Industry Superannuation Scheme for the Power Industry), will be invaluable to the Board.



MONTHLY LODGEMENT OPTION

Employers may elect to lodge their employer return monthly rather than every two months.

This option requires employers to lodge their return on-line via our website www.cbserv.com.au and pay the calculated levy via electronic funds transfer (EFT) or by BPay.



Employers already using this method find it easier to finalise long service leave matters each month with other statutory obligations such as Workcover and the Australian Taxation Office.

Please contact CBS to arrange a password to use the website for lodging your returns monthly.

INVESTMENT STRATEGY REVIEW

In December, the Board's Investment Committee worked with MLC Implemented Consulting to review investment strategy.

The Board has since implemented a new strategy which is supported by a 55% growth:45% defensive asset mix. This reflects a more cautious approach which focuses on risk exposure.

The strategy aims to achieve a net return which exceeds the inflation rate by at least 3% over rolling five year periods.