



Construction Industry Long Service Leave Board

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Improvement in Scheme Financial Position

An actuarial report on the review of the Construction Industry Fund at 30th June 2004 was recently tabled in Parliament.

An operational surplus of \$2 million for the year has reduced the scheme's unfunded liability to \$1.38 million.

The Board's actuary has projected that if current economic and industry specific factors are maintained, the Fund will return to a surplus position in 2004/05.

It was interesting to note statistical data in the report which indicated 15094 workers had accrued service in the industry during the year. This compares with the Board's average worker registration level of 10765.

This serves to highlight both the state of the industry in South Australia and transient nature of employment.

New Investment Manager

The Board is pleased to announce the appointment of MLC Implemented Consulting to manage its investment portfolio for the next three years.

The adoption of this revised approach to investment strategy will:

- Result in a more timely decision making process,
- Reduce the time input from the Board,
- Provide greater certainty over fees, and
- Achieve cost savings as a result of economies of scale.

The Board is currently working with MLC in reviewing investment objectives. Full implementation will occur early in 2005.

Industry Survey

The Board takes this opportunity to thank all employers who responded to the recent industry survey. Your input will assist the Board determine:

- Whether the services we provide are relevant to the industry,
- How the administration of the scheme can be improved to further benefit clients, and
- If CBS's delivery of services meets the industry's expectations.

Key suggestions by employers included allowing for the voluntary registration of all staff and for the scheme to be funded by a project levy rather than a levy on worker's wages.

The survey's results will be considered by the Board at their December meeting.

Northern Territory scheme

The Northern Territory Parliament is currently debating a Bill seeking to introduce a portable long service leave scheme for their construction industry. The NT Government has previously expressed an interest in contracting out this work.

The South Australian Board is keen to contract administrative services to support the new scheme and to this end now has the support of the Minister for Industrial Relations in submitting a tender for the work.

The Minister commended the Board for pursuing such opportunities as a means of broadening the income base of the scheme for the benefit of the South Australian construction industry.

It is likely the Northern Territory Board will become subject to the National Reciprocal Agreement. This will benefit workers who gain employment in the Territory and without the existence of a scheme or Agreement, would risk forfeiting prior service accrued in other states.

National Conference

The Board recently attended the National Conference of Construction Industry Long Service Leave Authorities held in Darwin as a forerunner to a new scheme to be introduced in the Territory in 2005.

Presenters briefed delegates on issues such as leadership in a changing business environment, corporate governance, marketing (managing the media), investment (Getting the most out of Investment Managers, Matching assets with liabilities for Long Service Leave Boards) and Information Technology.

An "Its Hypothetical" session on the sustainability of long service leave schemes, hosted by former ABC journalist Mr. Peter Couchman, proved an outstanding success.

All states provided reports on the status of their schemes.

Annual Report

The 2003/04 Annual Report of the Construction Industry Long Service Leave Board was recently tabled in Parliament.

It will be available shortly for download from our website.

Christmas office hours

Construction Benefit Services will close from 12 noon on Friday 24th December 2004.

We will be pleased to assist with your enquiries when we reopen on Wednesday 3rd January 2005.

**Merry Christmas and
a Happy New Year**