



PUBLICATION FOR SOUTH AUSTRALIAN CONSTRUCTION EMPLOYERS

# insite

## December 2006

### Contact us

1st Floor  
83 Greenhill Road  
Wayville SA

Phone: 8271 1222

Fax: 8373 2740

Toll Free: 1800 182124  
(SA Country)

Email: [enquiries@cbserv.com.au](mailto:enquiries@cbserv.com.au)

Web: [www.cbserv.com.au](http://www.cbserv.com.au)

## Levy Rate Review

A report on the actuarial review of the Construction Industry Fund at 30<sup>th</sup> June 2006 was recently tabled in Parliament.

The report identified a total scheme liability of \$48.1 million. When matched against the scheme's asset base of \$52.2 million, the improving position of the Construction Industry Fund has been maintained for the third consecutive year. The Fund had an accumulated reserve of \$4.11 million at 30<sup>th</sup> June.

The Board has reported to the Minister for Industrial Relations there is scope for a reduction in the levy rate. Subject to the Government's endorsement, the reduction would be the first decrease since the rate was set at 2.5% in March 2004.

*“ Looking ahead to 2006/07, the drivers of construction activity in South Australia look set to continue.....I look forward to 2006/07 in the knowledge we have the innovation and resourcefulness to further improve our business.”*

The above is an extract from the Chief Executive Mr Ian Hopkins' Overview in the Board's 2005/06 Annual Report.

The Report highlights:

- 925 claims processed at a cost to the Fund of \$4.2 million.
- Levy income of \$9.01 million.
- \$5.5 million investment earnings.
- Operating surplus of \$4.05 million in 2005/06.
- Construction Industry Fund \$4.11 million in surplus at 30th June 2006.
- Investment return of 11.8%. Value of funds under management increased by 23% to \$48.8 million.
- Scheme unit cost reduced to \$37.63.
- 224 new employers and 4394 new workers were registered during the year.
- Average ordinary weekly pay increased by 5.8% to \$815.

The Report can be downloaded from the "Publications" link of our website [www.cbserv.com.au](http://www.cbserv.com.au)

## National Conference

The Board was represented at the National Conference of Construction Industry Long Service Leave Authorities recently held in Melbourne. The main focus of the Conference was the potential impact of the Workplace Relations Amendment (WorkChoices) Act on the respective schemes. Presentations were also given on long term investment strategies, governance, industry and community demographics, paradigm changes in Australian politics, economic outlook etc.

The Conference was preceded by a workshop of Chairpersons and Chief Executive Officers. The Workshop discussed inconsistencies in coverage and legislation, challenges confronting the schemes and determined policy in relation to the application of the National Reciprocal Agreement.

## Prosecution Update

It is pleasing to report on the positive response by employers to the Board's new compliance processes. The number of penalty fines imposed for late returns fell significantly in 2005/06.

Non compliance will result in legal action being initiated by the Board. Recent prosecutions have resulted in fines of up to \$600 being imposed. In addition Court and counsel costs are generally awarded to the Board.



## Christmas Office Hours

Construction Benefit Services will close for the Christmas/New Year period from 12 noon on Friday 22nd December 2006.

We will re-open on Tuesday 2nd January 2007 at 9am.

We wish all our clients in the construction industry a very Merry Christmas and a Happy and Prosperous New Year.