

## THE YEAR IN REVIEW

The last twelve months has presented the Board with new challenges in the areas of investment strategy, fund sufficiency and legislative reforms. It has however been a year of success. Significant productivity improvements have been achieved in the administration of the scheme.

The number of active workers, self employed contractors and new workers joining the scheme reached their highest levels since the inception of the scheme in 1977. Regrettably commercial activity has remained flat in this state.

The number of active workers registered at 30th June 1998 was 9315, an increase of 16.7%. 190 employers (3% reduction on previous year) and 3102 (+21%) workers registered for the first time. Self employed contractor registrations increased by 40%.

Levy income increased by 18% to \$2.2 million. Average levy contributions per billing cycle was \$340,000, up 14% on 1996/97.

A record figure of \$3.28 million was paid out to a total of 1106 claims.

Investment income reduced by 48.7% to \$1.49 million. The Board's overall investment return was 5.4% (12.1% in 1996/97). (While this exceeded the Board's investment objective, it was disappointing in terms of the importance of investment return to the Fund's liabilities.)

On an operational front the Board was able to further reduce its establishment level by 8.5% and operational costs by 3%. Despite these reductions, the Board achieved a 16.7% increase in the level of field activity.

The Board has recently endorsed a package of proposed amendments to the Act for the consideration of Government.

## LEGISLATIVE AMENDMENTS

The amendments aim to make the Act more equitable, reinforce consistency with provisions of the State Long Service Leave Act and protect the sufficiency of the Fund.

The Board will provide further information when the Government has indicated its support for the amendments to proceed.

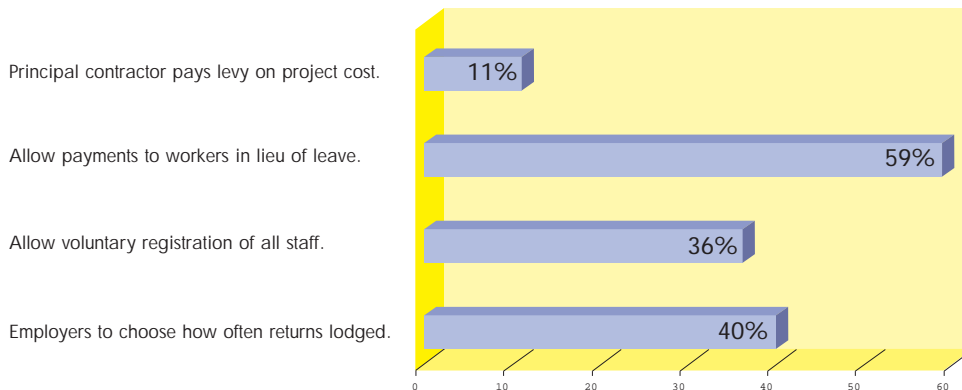
**SURVEY RESULTS**

The Construction Industry Long Service Leave Board is committed to providing a professional, quality, responsive and cost effective service to clients at all times.

To achieve this objective the Board has implemented a process of continual review and improvement. A key element of this process is the feedback we receive from clients.

The Board takes this opportunity to thank all employers who took time to respond to our recent survey and submit suggestions on how the scheme may be improved. Similar surveys have been conducted across our worker and contractor client groups. It was pleasing to note that 87% of employers rated our overall performance as good to very good. More importantly, the following trends have been identified:

- 70% of employers belong to an industry trade or professional association.
- Most employers first became aware of the scheme through their employer association, followed by CBS field staff and unions .
- By far the majority of employers (almost 60%) prefer written information to find out information about the scheme.
- Support for scheme changes.



- 86% of employers prefer to pay levies by cheque, although EFT (Electronic Funds Transfer) is now an available option.
- Over 66% of employers are satisfied with our current office hours of 8.30am to 5pm.
- 29% of employers have access to the internet, 23% can submit information on floppy disk and 24% can send information by E-mail.
- An even spread of employers said we should publish Insite more frequently, improve client liaison, increase advertising and conduct training programs when first registered, to assist clients understand the scheme.

The industry's response will assist the Board to make decisions about scheme administration, future legislative and technological initiatives and the most effective means of communicating with the industry.

**CHRISTMAS OFFICE HOURS**

Construction Benefit Services will close from 12 noon on Thursday 24th December 1998.

We apologise for any inconvenience this may cause and would be pleased to assist with your enquiries when we re-open on Monday 4th January 1999.

*Merry Christmas and  
a Prosperous New Year*



**LEVY RATE REVIEW**

Each year the Board is required by legislation to conduct an actuarial review of the Construction Industry Fund. This review reports on the scheme's total accrued liability and the sufficiency of the Fund.

At the 30th June 1998, the state of the Construction Industry Fund was \$24.4 million. The total accrued liability was \$22.43 million. This resulted in a reserve (excess of assets over liabilities) of \$1.97 million (8%).

The current levy rate of 1% has operated since 1st July 1995 when the Fund's reserve was \$4.73 million or 24%. At that time the levy was reduced from 1.25%. This was a deliberate strategy aimed at reducing the level of the reserve. While a reserve is considered desirable, it was the actuary's view the level had been unnecessarily high. Employers have therefore benefited from the adoption of the lower rate. Further benefits occurred through the waiving of the levy on apprentices, also from the 1st July 1995.

The Board has recently recommended to Government the levy rate be maintained at the current level. In view of the increasing liability resulting directly from a corresponding increase in workers' ordinary weekly pay and deteriorating global investment markets, the Board is closely monitoring the scheme's liability and reserves. The future direction of the levy rate will be dependent on the success of the Board's investment strategy and legislative reforms under consideration.

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