

Contact CBS using the Internet

Since its introduction earlier this year, the CBS web site www.cbserve.com.au has become a popular way to access and update your long service leave records.

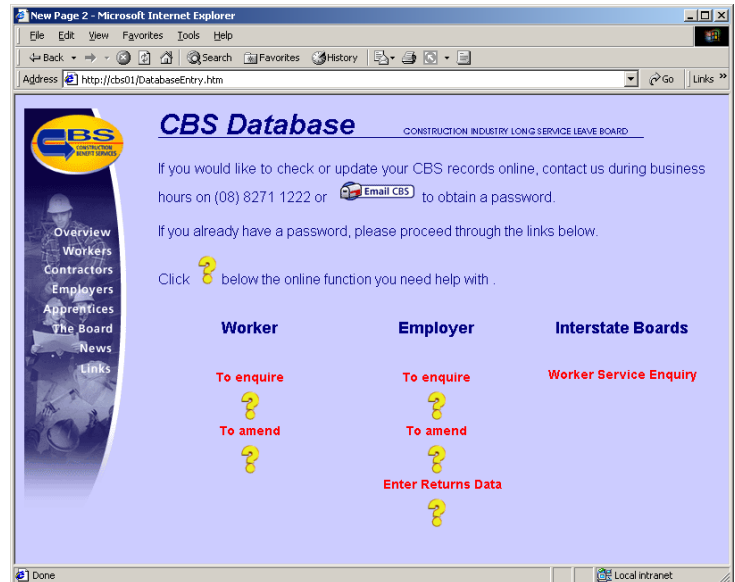
Employers can now lodge their return form on-line; view previous returns lodged and access details of financial transactions with CBS. Personal data such as address or telephone numbers can also be amended using the web site.

To start using the facility, simply contact CBS to advise the username and password you would like to use to login to the site.

One of our Industry Liaison Officers can guide you through your first return lodgement either in person or by telephone or you can use the Help screens available on line.

You will be advised by email each time a new return is ready for completion and again once the return form has been processed by CBS.

Your workers can also amend their personal data and view their long service leave history on-line. They need to contact CBS and nominate a password to access the site in conjunction with their worker registration number.



One of the first employers to use the CBS web site was Kath Parletta from Advanced Building Concepts Pty Ltd. Industry Liaison Officer Michelle Jakubowicz caught up with Kath after she completed her second return form on line.

"I'm a full time Mum and we have our own business. I only have a few hours a day available for paperwork, so its good to be able to access the web site after-hours when the kids are asleep to make any changes and complete my return forms. Plus, I can do my return early and then wait until the appropriate date to pay the levy via Electronic Funds Transfer; saving postage costs.

The web site has stacks of information that is easy to understand. And if you email CBS, they actually respond to you!

I find the computer more fun to work with, rather than hand writing cheques and forms. I can look at past return forms lodged on line, which means less time looking through paper files. My employees are also pleased when I can tell them how many days they have accumulated towards their long service leave."

Why not join Kath in the growing number of employers who have chosen the Internet to communicate with CBS.

The Role of an Actuary

As you are aware, the employer levy rate was increased to 1.6% on the 2nd November 2000, the first increase since the inception of the scheme in 1977. Other articles in this edition of Insite highlight the importance of the levy rate to the ongoing viability of the scheme.

The determination of the rate results from many processes commencing with the involvement of an actuary. It is the objective of the actuary to carry out a statistical, economic and financial analysis of the scheme and report on the total liability and the financial position of the Fund.

An actuarial review of the Fund is conducted every year at the 30th June. The actuary is provided with the details of the service records for registered active workers, inactive workers with an entitlement, self employed contractors and working directors.

Various assumptions are made by the actuary in conducting the review. These include future industry wage growth, the return on investments, the probability of workers accruing sufficient service to qualify for long service leave etc.

On completion of the review, a report is submitted to the Board. It is the responsibility of the Board to then forward the report to Government with a recommendation on the levy rate. In the event the estimated liability exceeds assets, the Board would recommend the rate be increased.

Compliance

Employers are reminded of the requirement to lodge returns and levies by the due date. ie. the 21st day of the month following the billing cycle. Previous Board compliance strategies have had minimal success in addressing the issue of late returns. For example, at the 21st May, 54% of the March/April return had not been lodged. The required follow up is time consuming and adds to the scheme's operating costs which are an indirect cost to industry.

Penalties for non compliance range from a late payment fine of \$75 to a maximum penalty of \$5000.

The Board has recently introduced new enforcement strategies. These have improved the monitoring of outstanding returns and streamlined associated compliance practices. Incentives have also been introduced to encourage offending employers to comply, thereby eliminating the need for litigation. The effectiveness of these new strategies is being monitored.

Continued non compliance will not be tolerated. It may result in the Board initiating either civil or criminal proceedings. It is important for employers to understand a conviction under the latter category will affect the credit rating of the business.

The Board will continue to act in the industry's best interests by seeking to reduce costs in the area of enforcement. Internet and electronic funds transfer facilities have been introduced to assist employers meet their long service leave obligations within the prescribed time. Help the Board to help you!

Construction Industry Long Service Leave Board Review

In November 2000, the Government announced a review of the Construction Industry Long Service Leave Board. A former Auditor-General, Mr Tom Sheridan, was appointed to conduct the review.

Under the terms of reference the review examined:

- The current financial position of the Fund and the scheme with some explanation for the current situation;
- The adequacy of existing investment strategies in meeting the scheme's financial targets;
- The performance of similar interstate schemes and any successful strategies being used in these schemes which can be utilised in the South Australian scheme;
- The current administrative structure, processes and systems to identify if any efficiencies can be found;
- The adequacy of current reporting relationships to Government;
- Options which would provide a quicker capacity for the scheme to react to changing market conditions than currently available through a requirement to amend legislation; and
- The need for legislative or regulatory changes.

The key recommendations of the report included an immediate increase in the levy rate, a restructuring of the Board's investment strategy, expansion of the scheme, provision to pursue business opportunities within and outside the construction industry and adoption of an industry model.

The review was presented to the Minister in February and latter referred on to the Board for comment. The Board is currently seeking the views of relevant union/employer bodies before responding to the Minister on behalf of the industry.

Stop Press

The Board has been advised the Government has rejected a recommendation to increase the levy rate to 2.0% on the grounds the current unfunded liability is not critical to immediate solvency of the Construction Industry Fund.

All relevant industry bodies have been informed of the decision and its affect on the proper discharge of the Board's responsibilities.