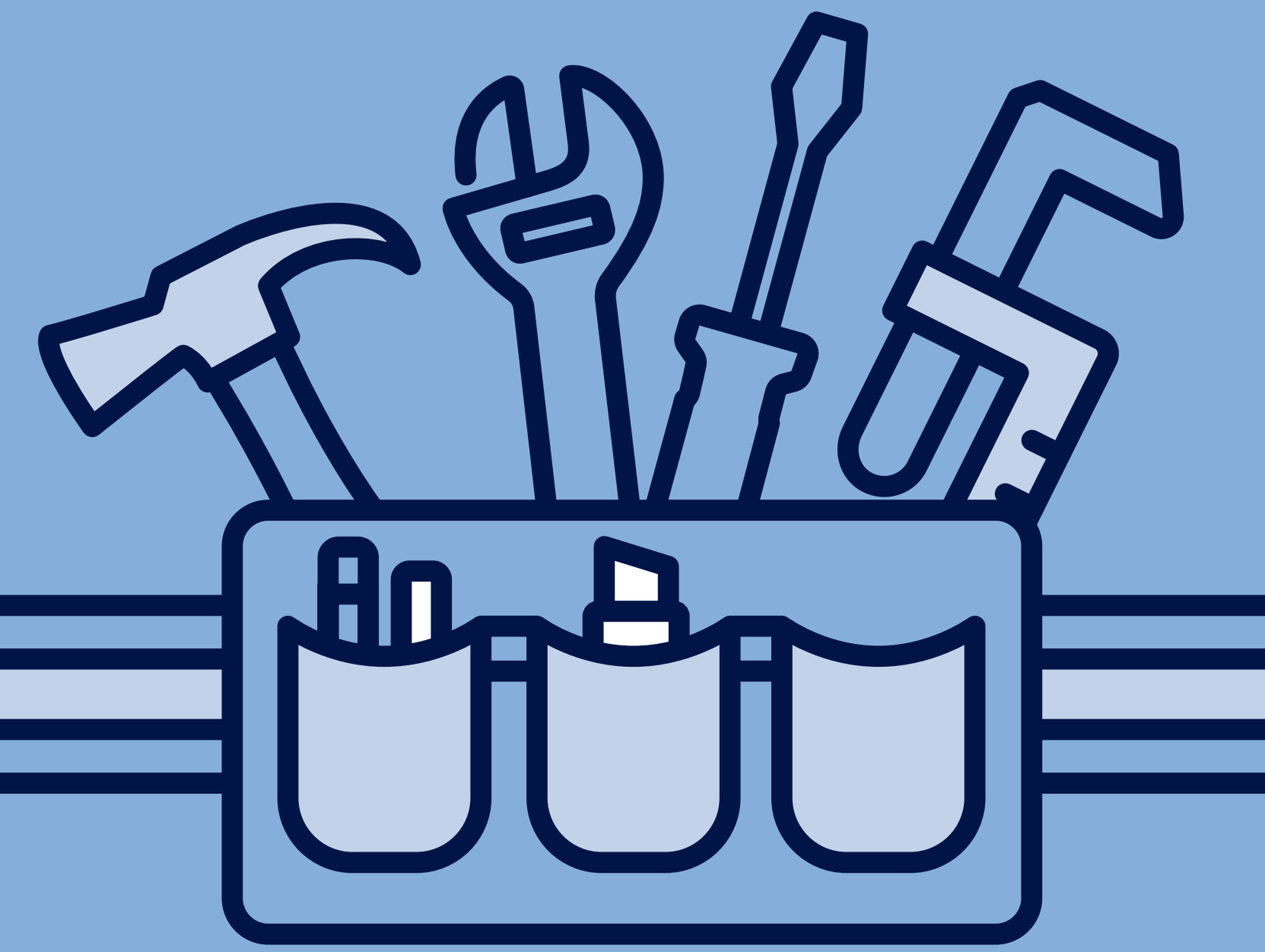
Annual Report
FY 2026



SA Portable Long Service Leave
Construction Industry

Annual Report – 2025/2026
Construction Industry
Long Service Leave Board

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LEGISLATION ADMINISTERED
Construction Industry Long Service Leave Act 1987

OUR MINISTER
The Hon Kyam Maher MLC is the Deputy Premier, Minister for Aboriginal Affairs, Attorney-General, Minister for Industrial Relations, Minister for Arts, Special Minister of State

BOARD MEMBERS
Kim Eldridge
(Presiding Officer)

Peter Bauer
(resigned 2 October 2025)

Mark Plunkett
(appointed 11 December 2025)

Adrian Valente
(appointed 11 December 2025)

Steven Minuzzo

Stephen Knight

Larry Moore

Kristen Rogers

John Adley
(reappointed as Deputy Board Member 11 December 2025)

CHIEF EXECUTIVE OFFICER
Anthony Mackay

ACTUARY
Mercer Australia
Level 7
91 King William Street
Adelaide SA 5000

AUDITORS
Nexia Edwards Marshall
Level 3
153 Flinders Street
Adelaide SA 5000

INVESTMENT ADVISOR & INVESTMENT MANAGER
Mercer Investments Australia
Level 15
727 Collins Street
Docklands Victoria 3008

PRIMARY LAWYERS
Lynch Meyer
190 Flinders Street
Adelaide SA 5001

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Acknowledgement of Country

SA Portable Long Service Leave acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community.

We pay our respects to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.



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Presiding Officer Report

I am pleased to provide the annual report for the 2025-2026 financial year.

During the year the Board continued its strong focus on governance, investment oversight and the long-term sustainability of the Portable Long Service Leave scheme for the Construction Industry..

Following a review of the Board's sub-committee pilot, the Board determined to re-establish monthly Board meetings with regular agendas focussed on audit and risk, and investments. This approach has enhanced the Board's ability to undertake detailed examination of key risks, investment performance and governance matters, while also ensuring all Board members are actively participating in these discussions.

This year also represented the first full year of the Board's engagement with Mercer Investments (Australia) Limited as the scheme's investment adviser and investment manager. The Board has worked closely with Mercer to ensure the scheme's investment portfolio remains appropriately positioned to balance risk, liquidity and return objectives, supporting the ongoing solvency of the fund.

The Board has continued its engagement with the South Australian Government regarding proposed amendments to the *Construction Industry Long Service Leave Act 1987* and welcomes continuing opportunities to contribute practical advice based on the Board's experience administering the scheme.

In 2025-2026 the Board worked closely with the scheme's management team to secure a new tenancy alongside the Community scheme, resulting in a relocation from the scheme's premises of close to 10 years. The move assures a sustainable operating model across both schemes. The Boards of both schemes have also approved joint Vision, Purpose and Values statements, ensuring a consistent approach for all staff and the management team.

Looking ahead, the Board will oversee several significant projects aimed at strengthening compliance activities and modernising the scheme's technology and reporting capability. These initiatives will assist the scheme to identify employers who may not be meeting their obligations while improving service delivery to workers and employers and ensuring the long-term sustainability of the scheme.

On behalf of the Board, I thank the Chief Executive Officer and staff of the scheme for their professionalism and commitment throughout the year. Their work continues to support the integrity, sustainability and reputation of the scheme, ensuring every eligible worker for portable long service leave can enjoy the benefit of this leave and all South Australian workers and employers have access to a scheme that it clearly understood and easy to use.



Kim Eldridge
Presiding Officer





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Chief Executive Officer Report

I am pleased to present my fourth report as Chief Executive Officer of the SA Portable Long Service Leave – Construction Industry scheme for the 2025/2026 financial year.

This has been a year of continued growth in employer and worker participation, strong levy and investment performance, and further investment in our people, systems and relationships to support the long-term sustainability of the scheme.

Employer engagement strengthened over the year. Registered employer numbers increased, and Employer Return lodgement performance remained high. Total registered workers and workers accruing service again grew, including continued registrations of self-employed contractors and working directors, reflecting healthy employment levels and improved awareness of coverage obligations.

Levy income rose in line with higher worker numbers and increased rates of pay, and investment earnings remained solid. A growing number of claims indicate that more workers accessing long service leave entitlements during their working years.

With the implementation of the Community Services scheme, we focused on delivering efficiencies that could benefit both schemes, using shared data, reporting and business systems to reduce duplication and streamline processes. Operating expenses were kept within expected levels, and liquidity was effectively managed with operating cash flows from levies sufficient to meet all payment obligations.

Improving scheme awareness and compliance remained central to our work. We provided clearer, earlier information on coverage, registration, reporting and levy obligations, supported by site visits, employer meetings, industry events and increased digital and web content. Compliance activities, including audits and investigations, identified unregistered employers which were brought into the scheme, protecting workers' accrued service.

We further strengthened governance, compliance and controls throughout the year. Cyber security controls were embedded and records management practices refined to ensure compliance with the *State Records Act 1997*, recognising that robust record keeping underpins accurate entitlement decisions and public trust. Actuarial advice continued to guide financial planning and levy setting, and we progressed implementation of recommendations from the independent actuarial model review to strengthen liability and cash flow forecasting.

Our people remain central to our success. Flexible working arrangements, professional development and wellbeing initiatives contributed to positive staff engagement, and a staff satisfaction survey indicated strong commitment and pride in the organisation and informing further improvements in communication and collaboration.

During the year we maintained and strengthened relationships with South Australian Government entities, industry bodies, unions, apprentice organisations and other portable long service leave schemes. Participation in industry events, awards, regional roadshows and presentations to apprentices and workers supported understanding of the scheme and compliance, while stakeholder feedback helped ensure our services remain responsive to industry needs.

I would like to thank the Board for its guidance and support throughout the year. I would also like to thank the SA Portable Long Service Leave – Construction Industry team for their professionalism, commitment and hard work. Together, we continue to strengthen the scheme, enhance service delivery and safeguard the long service leave entitlements of South Australian construction industry workers.



Anthony Mackay
Chief Executive Officer



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Scheme Statistics

Workers



41,533 ↑ 5.9%

Total Registered Workers



32,215 ↑ 9.3%

Workers who accrued service this year



6,274 ↑ 2.7%

Apprentices Registered



8,972 ↑ 20.6%

New Workers Registered



11,046 ↑ 7.0%

Workers with Vested Benefits



2,754 ↑ 0.9%

Payments Made to Workers



$22,553,770 ↑ 9.2%

Value of Payments Made to Workers

Employers



3,532 ↑ 6.1%

Total Employers Registered



510

New Employers Registered



99.9% ↑ 0.4%

Average Employer Returns Received



$29.8M* ↑ 15.1%

Employer Levy Contributions

*Includes prior year adjustments

Operations



2.0%

Levy Rate



$209.6M ↑ 8.8%

Investment Assets



8.1% ↑ 0.4%

Investment Return



$3.6M ↑ 12.4%

Operational Expenses

(excluding bad debts totaling $317,285)



$213M ↑ 12.1%

LSL Liabilities



107.2%

Liability Cover



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Finance

State of the Fund

As of 30 June 2026, the Fund has an accumulated Surplus of **$15.4M** and a solvency ratio of **107.2%**.

Summary of Financial Year

In FY2026 the Board reported an operating deficit of **$3.31M**.

Levy revenue increased 15.16% from **FY2025** to **$29.77M**. The increase was representative of new worker registrations along with wage inflation during the year.

Realised and unrealised investment gains totalled $14.05M representing a 8.1% return on investment.

The number of worker payment claims increased by 1% from FY2025.

Cash flows from operating activities (excluding investment income) were positive in FY2026 reflecting increased levy collections made during the year. No redemptions were required from investments to supplement operating cash flows.

	Actual 2025/26 ($ Million)
Income	
Levies	29.77
Investments (Including Cash Holdings and Term Deposits)	14.05
Other	2.33
Total Income	**46.15**
Expenditure	
Long Service Leave Payments	22.53
Increase in Accrued LSL Liability	23.03
Increase in Contractor Interest	0.33
Salaries and Related Costs	1.50
Operating Costs	2.07
Total Expenditure	**49.46**
Surplus/(Deficit)	**(3.31)**

*Figures may differ slightly to financial statements due to rounding

Investment

Investment returns form a vital element of the Scheme, supplementing levy revenues to ensure the Fund can meet future long service liabilities.

The investment objectives focus on maximising returns whilst managing risk, specifically:

— The fund to achieve a solvency rate of 115% by 30 June 2029.

— The net investment return of 6.4% to be achieved across each of the next 5 years on average net of all fees.

— The probability of the rate of return being achieved of at least 60%.

— The likelihood of losing more than 5% of the scheme's investment assets being less than 10%.

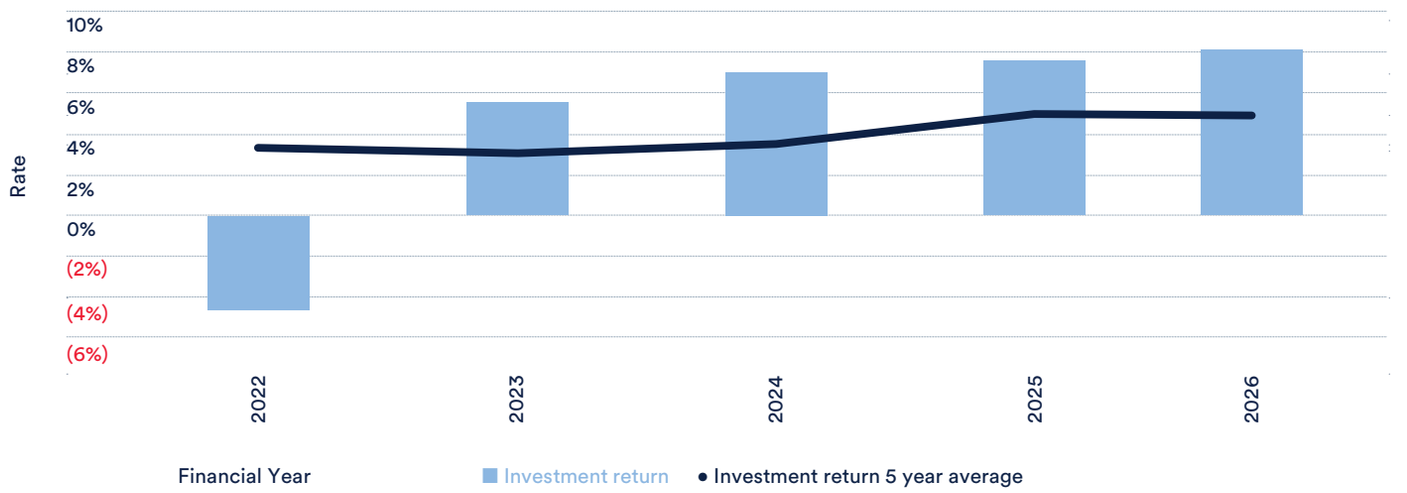
— Maintain a 65/35 asset ratio.

— Maintain a targeted allocation of 25% to illiquid assets with an upper limit of 30% to allow for market movements.

— The movement of cash into investments to maximise returns.

Five Year Investment Return

The five-year average return on investments held by the Board is **4.8%**.



Self-Employed Contractor / Working Director Fund

The Self-Employed Contractor / Working Director Fund is a voluntary fund established to facilitate the preservation of previously accrued service when a construction worker transitions from an employee to a Self-Employed Contractor or Working Director. Rather than forfeiting their previously accrued service – Self-Employed Contractors or Working Directors can voluntarily make up to 6 fixed bi-monthly contributions per annum in order to accrue service credits that will contribute to reaching a long service leave entitlement.

The fund is an accumulation fund as registrants will receive their original contributions plus an investment return in the form of interest when they reach entitlement and/or exit the fund. This is in addition to any accrued entitlement that has vested in the construction worker fund (defined benefit).

The Board is required to set the contribution amount and interest rate annually in advance for the Financial Year ahead and as such is exposed to interest rate risk.

The Contribution and Interest Rate for the 2025/2026 Financial Year was:

Financial Year	2026
Contribution Rate (bimonthly)	$290
Interest Rate	4.1%

The bi-monthly contribution amount is set at a level comparable to the current industry average ordinary weekly pay rate. The interest rate is aligned with the expected investment earnings of the fund. Registrants can exit this fund at any stage therefore a different investment risk profile is applied to reduce risk of capital loss and provide adequate liquidity.

This fund is segregated from the core investment portfolio due to its defined purpose and different operating rules.

Actuarial Services

The Board uses an Actuary to undertake an annual valuation of its liabilities in accordance with Section 24 of the Act.

During the 2025/2026 financial year Mercer Actuary provided the following services:

- Annual report on the valuation of the scheme's long service leave liabilities at 30th June, sufficiency of the Construction Industry Fund and appropriateness of the levy rate
- Sensitivity analysis on the future funding of the scheme including projected cash flows and liabilities over the next five years.
- Recommendation to the Board on the contribution rate and interest payable on account balances under the Self-Employed Contractor / Working Director Fund.
- Provision of short-term liability forecasts for budget purposes.

Actuarial Valuation

The FY2026 actuarial valuation estimates the Board's liability (excluding registered contractors and working directors) to be **$213.004M** with Vested Benefits being **$187.067M**.

Financial Year 2026	Value of Liability (excluding self-employed contractors and working directors)	Vested Benefits (excluding self-employed contractors and working directors)
Value of Liability	$213,004,000	$187,067,000

The FY2026 valuation estimates the Board's liability in relation to self-employed contractors and working directors to be $8.225M.

The FY2026 valuation estimates the Board's total liability to be $221.229M.

	Financial Year 2026
Construction Workers	$213,004,000
Self-Employed Contractors \ Working Directors	$8,225,000
Total Provision Long Service Leave Entitlements	$221,229,000

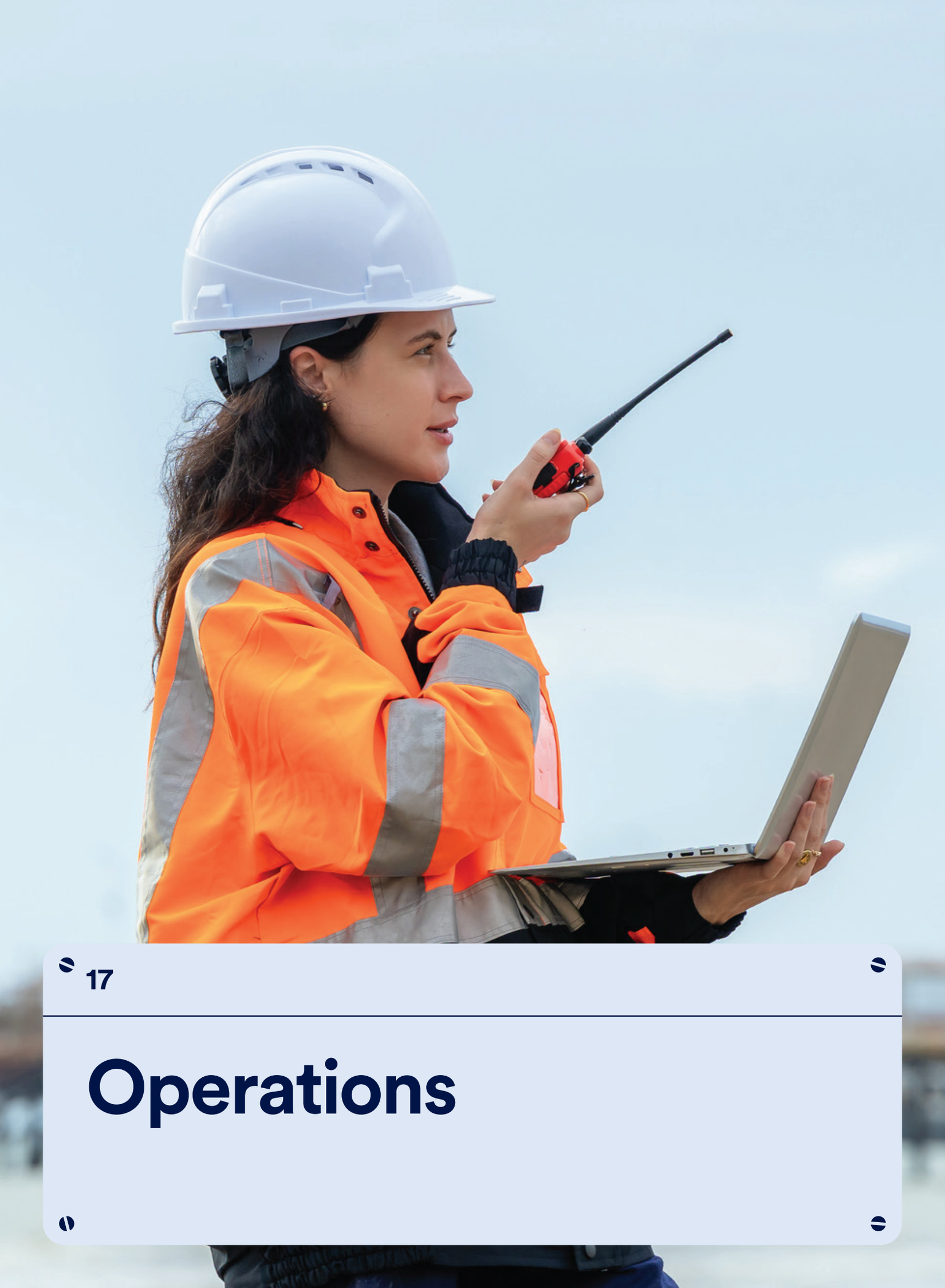
Average Weekly Earnings

Average weekly earnings increased in FY2026 by 7.0% to $1,745 ($1,631 in FY2025).

The Fund remains in a satisfactory financial position as at 30th June 2026 with an accumulated surplus (total assets less total liabilities) of $15.4M and a solvency ratio of 107.2%.

Audit Services

Nexia Edwards Marshall were appointed the Board's auditors in 2019. An unqualified audit opinion was achieved during the 2025/2026 Financial Year.



Operations

Customer Service Report

Registrations

FY2026 saw an increase of 5.9% in total registered workers, a 9.3% increase in workers who accrued service in the financial year, and an increase in registered employers of 6.1%.

Financial Year	FY2026	FY2025	% Change
Total Registered Workers	41,533	39,204	5.9
Workers who contributed this financial year	32,215	29,461	9.3
Total Registered Employers	3,532	3,328	6.1
Self-Employed Contractors/Working Directors registered as at 30June 2026	478	490	- 2.5

Employer Returns

Each registered employer must furnish the Board with a bi-monthly Employer Return containing details of eligible employees who have worked over the prescribed period.

Employer Return Management								
Financial Year	Returns Issued	Returns Received on time		Late Returns		Late Return Lodgement Fines		
	No.	No.	%	No.	%	No.	%	Amount
2026	20,108	15,096	75	3,949	20	1,158	6	87,300
2025	19,045	15,389	81	3,656	19	1,060	6	$79,575
2024	18,112	14,345	79	3,767	21	1,276	7	$95,700
2023	17,607	13,877	79	3,730	21	1,293	7	$96,975
2022	16,680	13,716	82	2,964	18	1,394	8	$104,550

Claims

Long Service Leave Claims by Age										
Financial Year	<30		30-39		40-49		50-59		60+	
	No.	%	No.	%	No.	%	No.	%	No.	%
2026	155	6	875	32	669	24	550	20	505	18
2025	176	6	879	32	668	24	504	18	503	18

Long Service Leave Claims by Type								
Financial Year	Portable Leave Claims		Cessation of Employment Claims		Combination Portable Scheme & State Scheme Claims		Interstate Scheme Claims	
	No.	%	No.	%	No.	%	No.	%
2026	1896	68.3	587	21.1	104	3.7	190	6.8
2025	1805	66.1	587	21.5	108	4	230	8.4

Usage of Long Service Leave

The usage of leave is spread broadly across age groups. However, **82%** of leave utilised is for persons under the age of 60, indicating many employees are utilising long service leave during their working years rather than saving it until retirement.

Claims involving interstate service represented 6.8% of all claims reflective of the transient nature of work across Australia.

Apprentices

No Levy is imposed on apprentices; however, they continue to accrue long service leave service in the same way as other workers.

Worker Types				
Financial Year	Construction Worker		Apprentices	
	No.	%	No.	%
2026	35,259	85	6,274	15
2025	33,093	84	6,111	16

Compliance

SA Portable Long Service Leave - Construction Industry strives to provide clear and consistent advice to workers and employers to help them navigate the requirements of the Act.

The Compliance Team identified unregistered employers through apprentice talks and investigations, initiated contact, and provided advice and assessment on eligibility of workers.

Site visits to building and construction workplaces also continue to form an important part of the compliance approach. These visits provide opportunities to raise awareness of scheme obligations, address questions directly with employers and workers, and identify potential compliance issues early.

Registrations

In 2025/2026 there were 510 new employers, and 109 Self Employed Contractors and Working Directors who were assessed as eligible and registered with SA Portable Long Service Leave - Construction Industry.

Activity	FY2026
Prospective Employer Reviews Initiated	69

Audits

Audits were initiated on registered employers to identify and resolve problems with eligibility and reporting.

Activity	FY2026
Employer Audits	15

Investigations

Unregistered workers were identified and assessed for eligibility through reviews of unregistered businesses employing construction workers, investigations into unregistered service requests received from workers, and audits of registered employers.

Activity	FY2026
Unregistered Service Investigations	141

Legal Activities

Prosecution action was commenced for failure to lodge employer returns, non-payment of levies and failure to produce information requested under Section 30 of the Act, where other measures had not been able to achieve compliance. 18 of the 21 employers complied with obligations prior to prosecution.

South Australian Employment Tribunal

Two cases were referred to the South Australian Employment Tribunal for review, with both applications subsequently withdrawn. Two cases referred in the 2024-2025 financial year were heard and are currently pending an outcome.



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Communications

Communications and Engagement Report

Over the past 12 months, the Construction Industry scheme has continued to build on its strong field engagement model while significantly expanding its digital presence and communications capability.

The field team completed around 130 site visits across the year, engaging directly with over 3,300 workers across Tier 1 and other construction sites, and maintaining regular liaison with builders, workers and representatives. Engagement extended to apprentices through more than 100 presentations and inductions delivered in partnership with training providers. These sessions also helped identify unregistered employers, who were referred on to the Compliance Team for follow-up.

Regional engagement remained a priority, with trips to the Eyre Peninsula, Mid North, Yorke Peninsula, the Riverland, the states southeast and the Barossa Valley. These visits, several of which coincided with our partners annual roadshows, were instrumental in raising awareness of the scheme among employers, bookkeepers, group training organisations, building suppliers and apprentices in regional and country areas.

This year, we placed a greater focus on improving and increasing our digital presence. We developed and began implementing a new social media plan, posting across our three social media platforms, to strengthen our online engagement and complement our website and our existing field activities. This includes more consistent posting, targeted content for employers and workers, and clearer calls to action around registration, reporting and levy obligations.

We also improved our communications across the scheme, including:

— Enhanced website content and digital resources to support employer and worker understanding.

— Creation of content for the employer and employee digital newsletter, and advertising placements in member-based publications

— Stronger alignment between field activities and digital communications to ensure consistent messaging and greater reach.

Engagement with stakeholder groups continued through presentations and discussions with employer associations and unions, and participation in a wide range of industry events and awards. We were also proud to sponsor and attend the Mates in Construction Luncheon, supporting mental health and suicide prevention awareness across the construction industry.

Together, our continued field presence and expanded digital activity have strengthened awareness, supported compliance, and ensured South Australian construction workers and employers remain well informed about their portable long service leave entitlements and obligations.



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Governance

The Construction Industry Long Service Leave Board (the Board) is responsible for the administration of the *Construction Industry Long Service Leave Act 1987* (the Act). SA Portable Long Service Leave - Construction Industry is the Business Name of the Board.

Composition

Membership of the Board is determined in accordance with Section 7 of the Act and comprises three members appointed to represent the interests of employers and three members appointed to represent the interests of workers. The Presiding Officer is nominated by the Minister for Industrial Relations.

Board

Board Members	Current Appointment Date	Current Expiry Date
Ms Kim Eldridge	14 December 2023	28 September 2027
Mr Mark Plunket	11 December 2025	28 September 2027
Mr Adrian Valente	11 December 2025	28 September 2027
Ms Kristen Rogers	26 September 2024	28 September 2027
Mr Stephen Knight	29 September 2022	28 September 2027
Mr Steve Minuzzo	29 September 2022	28 September 2027
Mr Larry Moore	29 September 2022	28 September 2027

At the end of this period (30 June 2026) the Board remains in place until such time as the Minister advises of any changes.

During the year the following changes were advised:

— Peter Bauer (Board Member) – resigned 2 October 2025

— Mark Plunket (Board Member) – appointed 11 December 2025

— Adrian Valente (Board Member) – appointed 11 December 2025

— John Adley (Board Member) – appointed as Deputy Board Member 11 December 2025

Board Meetings

During the 2025/2026 year the Board met on 11 occasions, excluding sub committees and working parties.

Board Members	Nominating Body	Meetings Available to Attend	Meetings Attended
Ms Kim Eldridge	Independent Presiding Officer	11	9
Mr Mark Plunkett	Australian Manufacturing Workers Union	5	5
Ms Kristen Rogers	SA Unions	11	9
Mr Adrian Valente	Communications, Electrical, Energy and Plumbing Union	6	4
Mr Stephen Knight	Housing Industry Association	11	10
Mr Steve Minuzzo	Master Builders Association	11	10
Mr Larry Moore	National Electrical and Communications Association	11	8
Deputies			
Mr Stuart Gordon	Australian Manufacturing Workers Union	0	0
Mr John Adley (former Board Member)	Communications, Electrical, Energy and Plumbing Union	6	5
Ms Stuart Collins	Housing Industry Association	0	0
Ms Elizabeth O'Conner	National Electrical and Communications Association	1	1
Mr Richard Carney	Master Builders Association	1	1

Board Committees

The Board establishes sub committees on an as-required basis to provide closer attention to important issues facing the organisation.

Overseas Travel

During the 2025/2026 financial year, no members of the Board engaged in overseas travel in their capacity as a member of the Board.

Risk Management

The Board has a structured approach to risk management via a risk management framework and risk register that is reviewed regularly.

Fraud Detected in the Scheme

Number of Instances	Nil
Category/Nature of Fraud	N/A

Public Interest Disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the Public Interest Disclosure Act 2018: Nil

Annual Report

The 2024/2025 Annual Report was tabled in Parliament in accordance with the Act on the 30 October 2025.

Actuary Report

The 2024/2025 Actuary Report was tabled in Parliament in accordance with the Act on the 30 October 2025.

Board Remuneration

Board members are remunerated in accordance with Department of Premier and Cabinet (DPC) Circular 16 – Remuneration for Government Appointed Part Time Boards and Committees. The Board's remuneration is classified as a Category 1, Level 5 Board.

Financial Performance

The Board received an Unqualified Audit Report from Nexia Edwards Marshall for the 2025/2026 year.

Delegations

The Board maintains a schedule of delegations that is reviewed annually. It was reviewed and subsequently approved in the August 2025 Board Meeting.

Day to day management of the Board's affairs and the implementation of strategy and policy are delegated to the Chief Executive Officer and Management of the SA Portable Long Service Leave - Construction Industry business.

Insurance

The Board has insurance cover through the South Australian Government Financing Authority (SAFA).

Public Sector Regulations 2025

The Board's governance and reporting arrangements are aligned with the *Public Sector Act 2009* and the *Public Sector Regulations 2025*.

Carer's Recognition Act 2005

SAPLSL did not have reporting obligations under the *Carer's Recognition Act 2005* in 2025–2026.



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People

Our Workforce

Our people remain at the heart of the organisation's success. During the year, the workforce grew by 5.6%, with 19 employees engaged across operational, professional and leadership roles.

The workforce comprises employees with a diverse range of skills, knowledge and experience that support the effective delivery of services to workers and employers across South Australia. A combination of experienced employees and emerging talent continues to strengthen organisational capability and support innovation, collaboration and continuous improvement.

A strong focus remains on attracting, developing and retaining capable employees while fostering a workplace culture that values respect, accountability and teamwork. Employees are encouraged to contribute their expertise, share ideas and support the achievement of strategic objectives.

Developing Our People

Investing in employee growth and professional development remains a key priority. During the year, employees participated in training across technical, compliance, leadership and professional development areas.

A Staff Training and Career Pathway Framework was developed and implemented to provide a structured approach to employee learning, career development and workforce planning. The framework aligns training opportunities with role requirements, organisational priorities and employee development goals, ensuring a consistent approach to capability building across the organisation.

Key learning and development initiatives included:

— Cyber Security Awareness

— Data Literacy and Information Privacy Principles

— Leadership Development

The framework supports employees at all stages of their careers and promotes continuous learning, knowledge sharing and professional growth. It also assists in identifying future capability requirements and supports succession planning for key roles.

Continued investment in learning and development strengthens organisational capability and supports employees to adapt to changing business, technology and regulatory environments.

Occupational Safety, Health and Injury Management

The health, safety and wellbeing of employees remains a priority. Workplace health and safety responsibilities are supported through policies, procedures and practices designed to identify and manage risks, encourage consultation and promote a safe working environment.

Employee wellbeing is recognised as an important contributor to organisational performance and workplace culture. Flexible working arrangements continued throughout the year, supporting employees to balance work and personal commitments while maintaining service delivery outcomes. Employees also have access to wellbeing resources and support services when required.

The reportable statistics for the year are:

Results for year (2025/2026)	
Number of fatalities	Nil
Lost time injury and disease	Nil
Percentage of injured workers returned to work within 13 or 26 weeks	N/A
Percentage of managers and supervisors trained in work health and safety injury management responsibilities	100%

Health and Safety Representatives completed relevant training to support the Board's commitment to maintaining a safe and healthy workplace.

Employee Engagement and Culture

Employee feedback remains an important measure of organisational performance and workplace culture. The annual employee survey achieved a participation rate of 94%, reflecting a strong level of employee engagement and commitment to organisational improvement.

Survey results identified a number of strengths across the organisation. Employees reported a strong sense of pride in working for SA Portable Long Service Leave, a clear understanding of how their work contributes to organisational objectives, and positive working relationships with colleagues. Employees also recognised the organisation's commitment to health and safety and valued the flexibility available to support work-life balance.

The survey highlighted a collaborative and supportive workplace culture, with employees reporting that they feel connected to their teams, supported by their colleagues and empowered to contribute ideas and feedback. These results provide valuable insights that help inform initiatives aimed at strengthening employee experience and organisational culture.

During the year, an Employee Recognition Program was introduced to acknowledge employees reaching 5, 10 and 15 years of service. The program recognises the dedication, commitment and valuable contributions of long-serving employees while reinforcing a culture of appreciation and recognition.

A continued focus on engagement, wellbeing and recognition supports the development of an inclusive workplace where employees feel valued and empowered to contribute to organisational success.

Corruption Prevention

The Board maintained the highest standards of integrity throughout the year. By implementing comprehensive anti-corruption policies, promoting transparency, and ensuring compliance, the Board strives to deter unethical practices.

Equality

The Board is an Equal Opportunity Employer and encourages Indigenous Australians and people from culturally diverse backgrounds to apply for advertised positions. The Board is committed to providing its services free from any form of discrimination.



Financial Statements

Construction Industry Long Service Leave Board
Statement of Comprehensive Income
for the Year Ended 30 June 2026

	Note	2026 $000	2025 $000
Income From Ordinary Activities			
Levies		29,768	25,852
Realised Investment Income	3	8,238	17,357
Unrealised Gain/(Loss) on Financial Assets at Fair Value Through Profit or Loss		8,135	(2,763)
Other		94	156
Total Income		**46,235**	**40,602**
Expenses From Ordinary Activities			
Worker Payments Expense	4	45,561	26,801
Employee Benefits Expense	5	1,497	1,439
Depreciation expense for Property, Plant and Equipment	10	30	26
Depreciation expense for Right-of-Use Asset	11	105	89
Interest expense on Registered Contractor Funds		326	323
Other interest expense on Lease Liability		13	10
(Reversal of Impairment Loss)/Impairment Loss on Receivables	9	407	(59)
Other Expenses	6	1,603	1,228
Total Expenses		**49,542**	**29,857**
Total Surplus/(Deficit)		**(3,307)**	**10,745**
Total Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss)		**(3,307)**	**10,745**

The above statement should be read in conjunction with the accompanying notes.

Construction Industry Long Service Leave Board
Statement Of Financial Position
as at 30 June 2026

	Note	2026 $000	2025 $000
Assets			
Cash and Cash Equivalents	8	7,796	6,871
Receivables and Other Assets	9	6,514	6,396
Financial Assets	9	224,305	205,128
Property, Plant & Equipment	10	188	106
Right-of-Use Asset	11	469	453
Total Assets		**239,272**	**218,954**
Liabilities			
Trade and Other Payables	12	515	294
Lease Liability	11	495	539
Employee Benefits	13	154	185
Worker Payments	13	213,004	189,976
Registered Contractor Contribution Fund	13	8,225	7,774
Total Liabilities		**222,393**	**198,768**
Net Assets		**16,879**	**20,186**
Equity			
Accumulated Surplus		**16,879**	**20,186**

The above statement should be read in conjunction with the accompanying notes.

Construction Industry Sector Long Service Leave Board
Statement of Cash Flows
for the Year Ended 30 June 2026

	Note	2026 $000 Inflows (Outflows)	2025 $000 Inflows (Outflows)
Cash Flows From Operating Activities			
Receipts From Levies & Operations		28,615	25,702
Payments to Workers		(22,533)	(20,663)
Payments to Suppliers & Employees		(2,928)	(2,414)
Repayment of Interest Portion of Lease Liabilities		(13)	(10)
Interest Received		2,636	3,043
Net Cash Provided By (Used In) Operating Activities		**5,777**	**5,658**
Cash Flows From Investing Activities			
(Payments to Acquire)/Proceeds from Investment in Term Deposits & Managed Funds		(4,769)	(15,032)
Payments for Plant & Equipment		(28)	(56)
Proceeds from Sale of Plant & Equipment		(84)	16
Net Cash Provided By (Used In) Investing Activities		**(4,881)**	**(15,072)**
Cash Flows From Financing Activities			
Net payments from Registered Contractors Fund		124	(45)
Repayment of Principal Portion of Lease Liabilities		(95)	(91)
Net Cash Provided By (Used In) Financing Activities		29	(136)
Net Increase (Decrease) in Cash Held		**925**	**(9,550)**
Cash at the Beginning of the Year		6,871	16,421
Cash at the End of the Year	8	**7,796**	**6,871**

The above statement should be read in conjunction with the accompanying notes.

Construction Industry Sector Long Service Leave Board
Statement of Changes in Equity
for the Year Ended 30 June 2026

	Accumulated Surplus	Total Equity
	$000	$000
Balance at 30 June 2024	**9,441**	**9,441**
Surplus for 2025	10,745	10,745
Balance at 30 June 2025	**20,186**	**20,186**
Deficit for 2026	(3,307)	(3,307)
Balance at 30 June 2026	**16,879**	**16,879**

The above statement should be read in conjunction with the accompanying notes.

Construction Industry Sector Long Service Leave Board
Notes to the Financial Statements
for the Year Ended 30 June 2026

1 GENERAL INFORMATION

The Construction Industry Long Service Leave Board is responsible for administering the Construction Industry Fund which controls levies collected from employers to provide portable long service leave for employees in the construction industry.

The reporting entity is The Construction Industry Long Service Leave Board, a statutory scheme created pursuant to the *Construction Industry Long Service Leave Act, 1987*. The Board operates in the State of South Australia.

The financial report has been prepared based on a twelve month operating cycle and presented in Australian currency and rounded to the nearest thousand dollars ($000).

The financial statements were authorised for issue by the Board on 25 September 2026.

2 MATERIAL ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board (AASB), Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act, 1987* to the extent applicable. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, with the exception of the Statement of Cash Flows, have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement at fair value of financial assets.

(b) CHANGES IN MATERIAL ACCOUNTING POLICIES

New and Amended Accounting Standards Adopted by the Entity

The Construction Industry Long Service Leave Board has adopted all of the new or amended Accounting Standards and interpretations issued by the Australian Standards Board (AASB) that are mandatory for the current reporting period.

The adoption of these Accounting Standards and interpretations did not have any significant impact on the financial performance or position of the entity.

(c) TAXATION

The Construction Industry Long Service Leave Board is exempt from income tax under Section 11 of the *Income Tax Assessment Act 1997*. The Board is liable for fringe benefits tax (FBT) and goods and services tax (GST).

Revenue, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable. Receivables and payables are stated with the amount of GST included.

(d) PRESENTATION OF STATEMENT OF FINANCIAL POSITION ON A LIQUIDITY BASIS

The Board have taken the view in complying with the requirements of Australian Accounting Standards that the treatment of worker payments as current liabilities does not reflect the true liquidity of the entity as these liabilities are not likely to be repaid in the next 12 months.

Accordingly, the Board has chosen to present its statement of financial position under the liquidity presentation method under AASB 101 Presentation of Financial Statements on the basis it presents a more reliable and relevant view.

(e) ESTIMATION UNCERTAINTY

When preparing the financial statements the Board is required to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The Board continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The Board bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, the Board believes to be reasonable under the circumstances.
The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

- Note 3 - Revenue recognition - recognition of income from levies and penalties
- Note 9 - Receivables and Other Assets - measurement of estimated credit loss allowance for trade and other receivables - key assumptions in determining the average historical loss rate
- Notes 9 and 16 - Financial assets at fair value through profit or loss - key assumptions for fair value measurement.
- Note 10 - Impairment test of plant and equipment - key assumptions underlying the identification of impairment indicators
- Note 11 - Leases - Determination of whether a contract is, or contains, a lease and the assessment of the lease term.
- Note 13 - Provision - Worker Payments - key actuarial assumptions;
- Notes 13 – Provision for Employee Benefits - key estimates of attrition rates and pay increases through promotion and inflation.

(f) EVENTS AFTER THE REPORTING PERIOD

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

The Board is not aware of any significant events since the end of the reporting period.

3 INCOME

Income from Levies and Penalties

The Board earns income from levies and penalties imposed under the *Construction Industry Long Service Leave Act 1987*.

The levy rate prescribed in accordance with regulations under the Act for the Construction Industry Fund was 2.00% of total remuneration paid to employees for the year ending 30 June 2026. Levies are recognised when returns are received with an accrual to recognise levies received from employers after the end of the reporting period but relating to the May/June billing cycle. The service related to these levies are included in the actuarial assessment of worker payment liabilities.

The Board has determined that levies and penalties are transactions to principally enable the entity to further its objectives and has recognised income when the right to receive the levy is recognised (on receipt of returns lodged by employers) under AASB 1058. There is no sufficiently specific obligation to be performed for receiving the levies and penalties.

The Board has considered the disaggregation of income into categories that reflect how the nature and amount of income (and resultant cash flows) are affected by economic factors. The Board has considered income from levies and penalties by variation in the geographical region, type of counterparty to which the levy rate applies, including number of workers per employer or variation in rate applied (other than the date from which the rate applies) and determined that further disaggregation does not provide more useful information.

Investment Income

Realised investment income includes distributions from financial assets (managed funds) and interest income arising from financial assets measured at amortised cost. For unrealised gains/losses on financial assets, the fair value movements are recognised through profit or loss.

Realised investment income comprises:

	2026 $000	2025 $000
Interest Income	2,232	3,008
Distributions from Managed Funds	6,006	5,971
Realised Gains on Disposal of Financial Assets	-	8,378
	8,238	**17,357**

Other Income

Other income includes profit on the sale of property, plant and equipment and sundry income.

4 WORKER PAYMENTS EXPENSE

	2026 $000	2025 $000
Actuarial Assessment at End of the Year	213,004	189,976
Worker Payments During the Year	22,533	20,664
Actuarial Assessment at Beginning of the Year	(189,976)	(183,839)
Total Worker Payments Expense	**45,561**	**26,801**

5 EMPLOYEE BENEFITS EXPENSE

	2026 $000	2025 $000
Salaries and Wages	1,206	1,143
Long Service Leave	15	44
Annual Leave	29	36
Employment On-costs - Superannuation	149	135
Employment On-costs - Other	24	16
Board Fees	74	65
Total Employee Benefits Expense	**1,497**	**1,439**

The number of employees at 30 June 2026 was 19 (2025: 13).

6 OTHER EXPENSES

	2026 $000	2025 $000
Motor Vehicles	11	10
Accommodation	84	40
Staff Training and Development	102	131
Audit, Actuary and Legal	354	276
Consultancy	188	80
Information and Telecommunications Technology	559	491
Other Administration	305	200
Total Other Expenses	**1,603**	**1,228**

7 AUDITOR'S REMUNERATION

During the financial year the following fees were paid or payable for services provided by Nexia Edwards Marshall, the auditor of the Board:

	2026 $000	2025 $000
Audit of the Financial Statements	19	18
Other Services - Review of Actuarial Processes	-	25
	19	**43**

8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents recorded in the Statement of Financial Position and Statement of Cash Flows include cash on hand and demand deposits. Cash is measured at nominal value. For the purpose of the Statement of Cash Flows, cash includes all bank balances. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2026 $000	2025 $000
Cash at Bank	7,796	6,871
Total Cash And Cash Equivalents	**7,796**	**6,871**

9 RECEIVABLES, OTHER ASSETS AND FINANCIAL ASSETS

Trade and other receivables

Trade receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The Board has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. The Board's receivables include amounts receivable from employer debtors (levies) less expected credit losses, accruals, sundry debtors and prepayments. Employer debtors arise in the normal course of collecting levies from employers and are generally receivable 21 days following the end of the two monthly billing cycle. Accrued contributions are levies received from employers after the end of the reporting period but relating to the May/June billing cycle. The service related to these contributions is included in the actuarial assessment of worker payment liabilities.

Investments and other financial assets

The Board's financial assets include investments in managed funds and term deposits, as part of a portfolio of identified investments that are managed together in accordance with a documented investment strategy.

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Board has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets at amortised cost, employer debtors and sundry debtors

The Board recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Board's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

	2026 $000	2025 $000
Employer Debtors	666	685
Expected Credit Loss Allowance	(167)	(77)
	499	**608**
Accrued Contributions	4,174	3,349
Sundry Debtors & Prepayments	1,841	2,439
Total Receivables And Other Assets	**6,514**	**6,396**

Receivables, other assets and financial assets are expected to be realised within 12 months from the end of the financial year.

Reconciliation of the closing and the opening loss allowance:

	2026 $000	2025 $000
Balance at 1 July	77	174
Amounts Written Off	90	(38)
Amounts Recovered	-	-
(Reversal of Impairment Loss)/Impairment Loss Recognised	-	(59)
Carrying Amount at the End of the Year	**167**	**77**

	2026 $000	2025 $000
Financial Assets at Fair Value Through Profit or Loss		
Managed Funds	186,499	157,290
Financial Assets at Amortised Cost		
Term Deposits	37,806	47,838
Total Financial Assets	**224,305**	**205,128**

The managed funds which are financial assets measured at fair value through profit or loss include the investment in Dexus Diversified Infrastructure Trust A and Diversified Infrastructure Trust B at total carrying value of $12.7m (2025: $12.6m). The Board submitted a redemption notice to redeem the investments in Dexus Diversified Infrastructure Trust A and Diversified Infrastructure Trust B, however all redemptions on the investment are currently suspended. The time period associated with this suspension is not known to the Board. The fair value of the Board's investment in both Dexus Diversified Infrastructure Trust A and Diversified Infrastructure Trust B recognised as at 30 June 2026 has taken into account all available information as at year end. Any changes of available facts and circumstances in the future could have an impact on the fair value of the investment subsequently. The Board has assessed and concluded that sufficient working capital is, and will remain available to the Board, to meet the requirements of its business and operation and fulfill all of the Board's obligations in the event that the Board is unable to realise the investments in Dexus Diversified Infrastructure Trust A and Diversified Infrastructure Trust B in the short and medium term.

Managed funds and term deposits amounting to $186.5m (2025: $157.3m) and $37.8m (2025: $47.8m) respectively are not expected to be realised within 1 year.

10 PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment are measured at cost less depreciation and impairment losses.

The residual values, useful lives and depreciation methods of all major assets held by the Board are reviewed and adjusted if appropriate on an annual basis.

Leasehold improvements are amortised over their estimated useful life or the unexpired portion of the relevant lease, whichever is the shorter.

Depreciation of assets is determined by using both the straight line method, and the Board's determined applicable annual rates of depreciation:

- Office Equipment 25 - 50%
- Office Furniture & Fittings 10 - 25%
- Motor Vehicles 15%

All items of property, plant and equipment are tested for indications of impairment at the end of the reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income.

	2026 $000	2025 $000
Leasehold Improvements at Cost	74	46
less Accumulated Depreciation	(46)	(46)
	28	**-**
Office Equipment at Cost	129	94
less Accumulated Depreciation	(45)	(61)
	84	**33**
Office Furniture & Fittings at Cost	80	50
less Accumulated Depreciation	(30)	(27)
	50	**23**
Motor Vehicles at Cost	37	65
less Accumulated Depreciation	(11)	(15)
	26	**50**
Total Plant & Equipment at Cost	320	255
less Accumulated Depreciation	(132)	(149)
Total Plant and Equipment	**188**	**106**

Movements in the carrying amounts of each class of plant and equipment between the beginning and the end of the financial year were as follows:

	Leasehold Improvements	Office Equipment	Office Furniture and Fittings	Motor Vehicles	Total
	$000	$000	$000	$000	$000
2025					
Balance at Beginning of Year	**-**	**29**	**24**	**33**	**86**
Additions	-	16	3	37	**56**
Disposals	-	-	-	(10)	**(10)**
Depreciation Expense	-	(12)	(4)	(10)	**(26)**
Balance at End of Year	**-**	**33**	**23**	**50**	**106**
2026					
Balance at Beginning of Year	**-**	**33**	**23**	**50**	**106**
Additions	28	71	31	-	**130**
Disposals	-	(1)	-	(17)	**(18)**
Depreciation Expense	-	(19)	(4)	(7)	**(30)**
Balance at End of Year	**28**	**84**	**50**	**26**	**188**

Impairment of non financial assets

Plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

There were no indications of impairment of property, plant or equipment at 30 June 2026.

11 LEASES

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Board's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The board entered into a lease for new premises in May 2026 as part of the planned relocation of its operations. As at 30 June 2026, right-of-use assets and corresponding lease liabilities have been recognised in respect of both the existing and new premises. Occupation of the existing premises will cease upon expiry of the current lease arrangement.

The lease liability is discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Board's incremental borrowing rate.

Right-of-use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Board expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Right of Use Assets

	2026 $000	2025 $000
Right of Use Asset	485	1,262
less Accumulated Depreciation	(16)	(809)
Total Right of Use Asset	**469**	**453**

Movements in the carrying amounts at the beginning and end of the financial year are set out below:

	2026 $000	2025 $000
Balance at Beginning of Year	453	543
Additions	485	-
Discharges	(364)	-
Depreciation Expense	(105)	(90)
Balance at End of Year	**469**	**453**

Lease Liabilities

	2026 $000	2025 $000
Lease Liability	465	539
Remediation (Make Good Provision)	30	-
Total Lease Liability	**495**	**539**

Future lease payments

Future lease payments are due as follows:

	2026 $000	2025 $000
Within One Year	101	105
One to Five Years	420	460
More Than Five Years	-	-
	521	**565**

12 TRADE AND OTHER PAYABLES

Payables include trade creditors and accruals, including goods and services received prior to the end of the reporting period that are unpaid at the end of the period. Payables are measured at their nominal value and are normally settled within the terms of payment stipulated by the supplier.

	2026 $000	2025 $000
Financial liabilities at amortised cost		
Trade Creditors	283	60
Sundry and Other Creditors	232	234
Total Payables	**515**	**294**

13 PROVISIONS

Provisions are recognised when the Board has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured using the best estimate of amounts required to settle the obligation at the end of the financial year.

Worker Payment Provision

Provision is made for amounts due to construction industry employees under the current legislation based on an annual independent actuarial assessment of worker payment liabilities. The effective date of the actuarial report on the worker payment liabilities is 30 June 2026. The actuarial report for the Construction Industry Long Service Leave Board was prepared by Mark Samuels, FIAA of Mercer and was dated 11 September 2026. The actuarial report indicates Mr Samuels is satisfied as to the accuracy of the data upon which the worker payment liabilities have been determined.

Audit of Actuarial Methods

During the 2025 financial year, the actuarial model used to determine worker payment liabilities was subject to an independent review commissioned by the Board. The review was conducted by George Whitington of Nexia Edwards Marshall and assessed the design, assumptions, data inputs and outputs of the model used by Mercer.

During the 2026 financial year, Mercer progressed a number of recommendations arising from the independent review, including enhancements to model governance, documentation, reporting outputs, validation processes and model transparency. Work also commenced on the development of a revised actuarial model and associated comparison and assurance processes.

At 30 June 2026, a number of recommendations arising from the independent review had been implemented; however, some recommendations remained outstanding. Mercer has advised that these matters are dependent on completion, testing and validation of the revised actuarial model and are expected to be completed during the 2027 financial year. The Board will continue to monitor progress against the remaining actions and recommendations.

The Board has considered the outcomes of the independent review, the work completed to date, and the actuarial advice received from Mercer. The Board is satisfied that the actuarial valuation used in determining the worker payment provision at 30 June 2026 provides a reasonable basis for recognition of the liability in these financial statements.

Actuarial Methods

Scheme liabilities in relation to worker payments are measured as the amount of a portfolio of investments that would be needed, as at the reporting date, to yield future net cash inflows that would be sufficient to meet accrued benefits as at that date when they are expected to fall due. In determining the appropriate discount rate, the actuary considers an investment portfolio that reflects the opportunities reasonably available to the Scheme in the investment markets, and also reflects the Scheme's actual investments and investment strategy in respect of worker liabilities. The liabilities have been calculated using a "best estimate" method incorporating assumptions on expected actual investment returns, wage inflation, exit rates, take up of long service leave whilst in service, future service credits and an allowance for the operating expenses of the fund. Changes were made to the model to recognise a change in the definition of service credits for the purpose of determining eligibility. The model was updated to better represent the payments made to workers on termination who are entitled to long service on reaching the assumed maximum age of retirement.

Processes used to Select Assumptions

Assumptions relating to the valuation of the worker payment provision can be categorised as financial or demographic.

Financial Assumptions

Financial assumptions consist of the rate of investment earnings for the Fund's assets and the rate of pay increases.

The rate of return on investment is informed by the Board's investment advisers, Mercer Investments based on the current strategic asset allocation for the short to medium term and over the longer term.

Wage inflation should reflect the long term trend and expectations regarding the future and is derived from the average increase in ordinary weekly pay per annum over the last five years and current economic forecasts for the next five years.

Demographic Assumptions

Demographic assumptions are determined from analysis of the Fund's experience over the last three years and include the rate at which members move from active to inactive, rates of exit for leaving the industry, leave taken per year and a service accrual percentage. The death rate is derived from Australian Life Tables.

Sensitivity Analysis

The worker payment liabilities are sensitive to changes in the actuarial assumptions adopted for the valuation. The absolute levels of the assumptions for investment returns and wage inflation are less important than the difference or 'gap' between them.

Registered Contractor Contribution Fund

Registered contractor funds are voluntary contributions by registered contractors and working directors to fund their own long service leave and include accrued interest that is credited monthly.

Employee benefits

Employee benefits accrue for employees as a result of services provided up to the end of the financial year that remain unpaid and include annual and long service leave entitlements plus an allowance for on-costs.

Annual leave liability is measured at the undiscounted amount expected to be settled within 12 months.

The liability for long service leave is measured as the present value of expected future payments to be made and based on assumptions including expected future salary and on-costs, experience of employee departures and periods of service. Any re-measurements arising for changes in assumptions are recognised in profit or loss in the period in which the changes occur.

The unconditional portion of the long service leave provision is expected to be settled within 12 months as the Board does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 7 years of service and measured at nominal value.

The liability for long service leave for employees who do not have an unconditional right to payment has been measured at the present value of the future cash outflows to be made for these benefits accrued to the reporting date expected to be settled after 12 months.

No provision has been made for personal leave as all personal leave is non-vesting.

Worker Payments

	2026 $000	2025 $000
Expected to be settled within 12 months	17,860	19,210
Expected to be settled after 12 months	195,144	170,766
Total Worker Provisions	**213,004**	**189,976**

Registered Contractor Contribution Fund

	2026 $000	2025 $000
Expected to be settled within 12 months	677	864
Expected to be settled after 12 months	7,548	6,910
Total Registered Contractor Provisions	**8,225**	**7,774**

Employee Benefits

	2026 $000	2025 $000
Annual Leave expected to be settled within 12 months	86	76
Long Service Leave expected to be settled within 12 months	6	71
Long Service Leave expected to be settled after 12 months	62	39
Total Employee Provisions	**154**	**185**

Movements in the carrying amounts of worker payment liabilities between the beginning and the end of the financial year were as follows:

	$000
Provision Used	(14,514)
Additional Provisions Recognised	18,489
Unused Amount Reversed	-
Carrying Amount at End of Year	**104,811**

	Worker Payments $000
2025	
Carrying Amount at Beginning of Year	183,839
Provision Used	(20,664)
Additional Provisions Recognised	26,801
Carrying Amount at End of Year	**189,976**
2026	
Carrying Amount at Beginning of Year	189,976
Provision Used	(22,533)
Additional Provisions Recognised	45,561
Carrying Amount at End of Year	**213,004**

Included in the additional provision recognised for worker payments was an amount of $11.5m (2025: $9.5m) related to the change in the provision due to the passage of time. This would ordinarily be disclosed as a finance cost but for the Board's accounts it is more appropriately disclosed as part of worker payments as it arises from assumptions used as part of the actuarial assessment.

14 CONTINGENT ASSETS AND LIABILITIES

The board has two outstanding bank guarantees as at 30 June 2026. The first relates to the nearly finalised 155 Fullarton Road, Rose Park Lease and is for $24,238 (2025: $24,238). The second relates to the new Unit 6, 245 Fullarton Road, Eastwood lease and is for $33,688 (2025: $0).

There are no contingent assets as at 30 June 2026.

15 CAPITAL COMMITMENTS

There are no capital commitments as at 30 June 2026.

16 FAIR VALUE OF ASSETS AND LIABILITIES

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Board measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

The Board measures and recognises financial assets at fair value through profit or loss on a recurring basis after initial recognition. The Board does not subsequently measure any liabilities at fair value on a non-recurring basis.

For investments in financial assets at fair value through profit or loss, the fair values have been determined based on quoted market prices at the end of the reporting period.

	2026 $000	2025 $000
Recurring fair value measurements		
Financial assets		
Financial assets at fair value through profit or loss	186,499	157,290
	186,499	**157,290**

17 KEY MANAGEMENT PERSONNEL AND RELATED PARTIES

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel (KMP).

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Related Party Transactions

During the year, the Board received no levies (2025: $344) from any employer in which a KMP of the Board acted as a director.

The Construction Industry Long Service Leave Board and the Community Services Sector Long Service Leave Board are related parties as they share common key management personnel, including the Chief Executive Officer.

The Construction Industry Long Service Leave Board had the following balances with the Community Services Sector Long Service Leave Board as at 30 June 2026:

	$000
Sundry Debtors	-
Trade Creditors	1

These balances relate to transactions for shared services and reimbursements.

All transactions were conducted on normal commercial terms and conditions.

KMP Compensation

	2026 $000	2025 $000
Short-term employee benefits	298	282
Post-employment benefits	36	32
	334	**314**

The names of Board/Deputy Members who have held office during the financial year are:

Ms Kim Eldridge (Presiding Officer)	
Mr Steven Minuzzo	Mr Richard Carney (Deputy)
Mr Laurence Moore	Ms Elizabeth O'Connor (Deputy)
Mr Stephen Knight	Mr Stuart Collins (Deputy)
Mr Adrian Valente	Mr John Adley (Deputy)
Mr Mark Plunkett	Mr Stuart Gordon (Deputy)
Ms Kristen Rogers	
Mr Peter Bauer (Resigned)	Holly Gardner (Deputy) (Resigned)

The Board was originally appointed by the Governor on 27 June 2017, effective 1 July 2017 for a period of five years. On 29 September 2022 the full Board (including Deputies) was re-appointed for a period of five years, expiring on 28 September 2027.

— Ms Holly Gardner resigned as deputy on 8 September 2025

— Mr Peter Bauer resigned as a board member on 2 October 2025

— Mr Mark Plunkett was appointed as a board member on 11 December 2025

— Mr Adrian Valente was appointed as a board member from a deputy on 11 December 2025

— Mr John Adley was appointed as a deputy from a board member on 11 December 2025

— Mr Richard Carney was appointed as a deputy on 11 December 2025

Statement by the Board

In the opinion of the Board:

1. (a) The accompanying Statement of Comprehensive income gives a true and fair view of the deficit of the Construction Industry Long Service Leave Board for the year ended 30 June 2026;

   (b) The accompanying Statement of Financial Position gives a true and fair view of the state of affairs of the Construction Industry Long Service Leave Board as at 30 June 2026;

   (c) The accompanying Statement of Cash Flows gives a true and fair view of the cashflows of the Construction Industry Long Service Leave Board as at 30 June 2026; and

   (d) The internal controls over the financial reporting have been effective throughout the reporting period.

2. At the date of this statement there are reasonable grounds to believe the Construction Industry Long Service Leave Board can meet its debts as and when they falls due.

3. The Construction Industry Long Service Leave Board does not have the power to amend the Financial Statements after issue.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board.

Kim Eldridge
Presiding Officer

Anthony Mackay
Chief Executive Officer

25 September 2026



Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT TO THE PRESIDING OFFICER OF THE CONSTRUCTION INDUSTRY LONG SERVICE LEAVE BOARD

Opinion

We have audited the financial report of the Construction Industry Long Service Leave Board (the "Entity"), which comprises the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the board.

In our opinion, the accompanying financial report presents fairly in all material respects, the financial position of the Entity as at 30 June 2026, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Simplified Disclosures.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board are responsible for the other information. The other information comprises the information in the Entity's annual report for the year ended 30 June 2026, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT TO THE PRESIDING OFFICER OF THE CONSTRUCTION INDUSTRY LONG SERVICE LEAVE BOARD (CONT)

Board Members' responsibility for the financial report

The Board of the Entity are responsible for the preparation and fair presentation the financial report, and have determined that the basis of preparation described in Note 2 is appropriate to meet the requirements of *Construction Industry Long Service Leave Act 1987* and the *Public Finance and Audit Act 1986* (as applicable to the Entity), and is in accordance with Australian Accounting Standards – Simplified Disclosures, and for such internal control as the Board determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

The Board are responsible for overseeing the financial reporting process.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

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INDEPENDENT AUDITOR'S REPORT TO THE PRESIDING OFFICER OF THE CONSTRUCTION INDUSTRY LONG SERVICE LEAVE BOARD (CONT)

Auditor's responsibility for the audit of the financial report (cont)

- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nexia Edwards Marshall

Nexia Edwards Marshall
Chartered Accountants

BD Morkunas

Brett Morkunas
Partner

Adelaide
South Australia

25 September 2026

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Our Coverage

Electricians

Data cabling

Air-conditioning and refrigeration mechanic

Bricklayer/Stonemason

Carpenter/Joiner /Cabinet maker (onsite)

Concreter

Crane/hoist/lift operator (onsite)

Glazier (onsite)

Labourers/Trade assistants

Painter/Decorator

Plant operator

Plasterer

Plumber/Gasfitter

Roof plumber

Rigger/Scaffolder

Roof tiler

Sprinkler fitter

Steel fixer

Wall and ceiling liner

Wall and floor tiler

Welder/Boiler maker (onsite)

Vision

Every worker eligible for portable long service leave can enjoy the benefits of the schemes.

Mission

To ensure workers and employers have access to a portable long service leave scheme that is clearly understood and easy to use.

Values

Helpful
We are responsive, efficient and honest in how we work.

Trusted
We make considered and balanced decisions based on the best information.

Collaborative
We collaborate with stakeholders to achieve our Vision.

Teamwork
We create solutions and deliver outcomes together.

Human
We bring care and empathy to how we work.

