



Annual Report

FY 2024





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BOARD MEMBERS

Kim Eldridge (Presiding Officer)
(Appointed 14th December 2023)

Peter Bauer

John Adley
(Appointed 6th July 2023)

Stephen Knight

Steven Minuzzo

Larry Moore

Peter Russell
(Resigned 26th June 2024)

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

PRIMARY INVESTMENT CONSULTANT

JANA Investment Advisers
Level 9, 255 George Street
Sydney NSW 2000

PRIMARY LAWYERS

Lynch Meyer
190 Flinders Street
Adelaide SA 5001



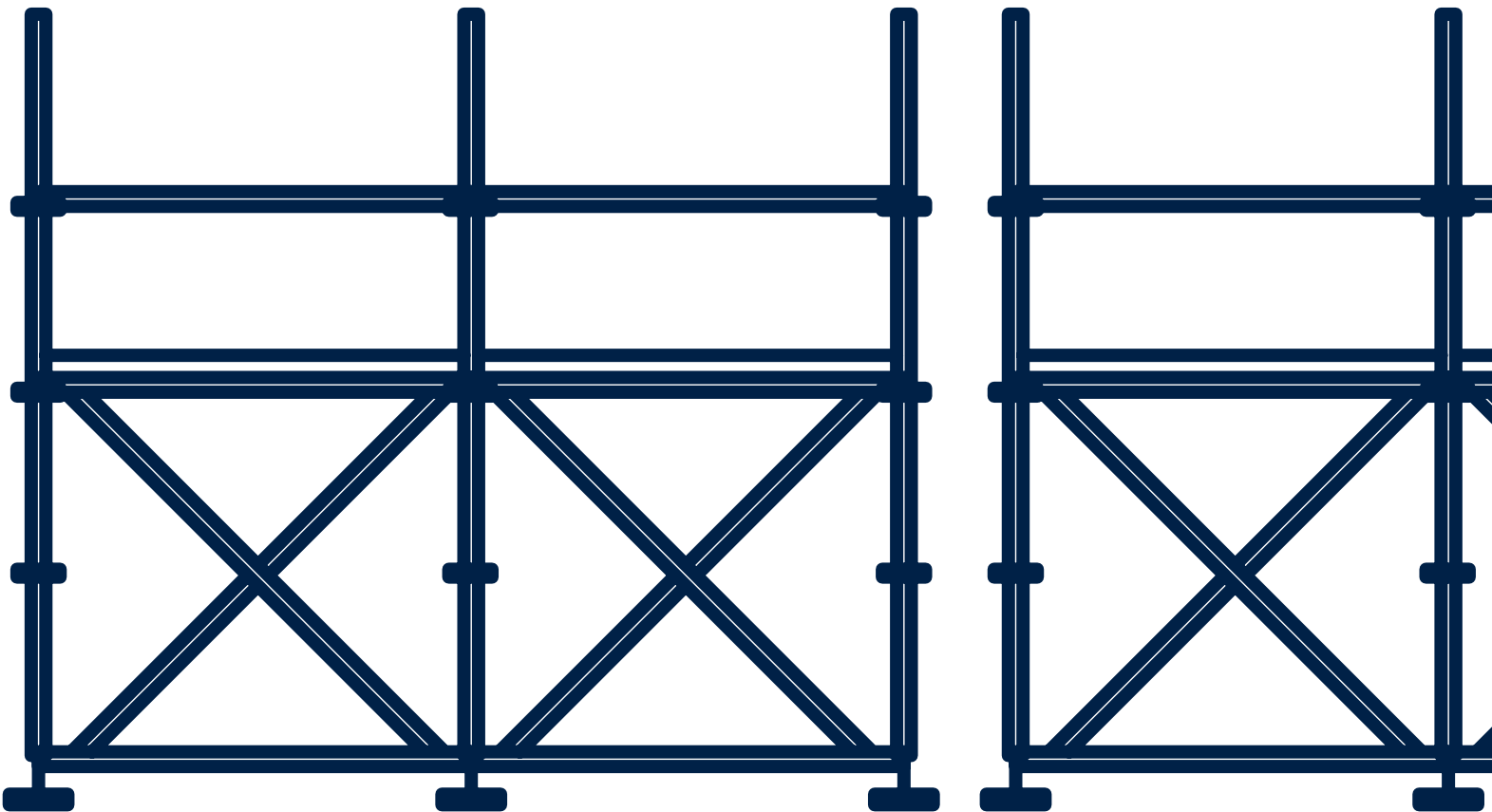
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Acknowledgement of Country

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.





Presiding Officer Report

I am pleased to provide the annual report for the 2023-2024 financial year.

I was appointed to the Board in December 2023. I was fortunate to join a group of experienced, thoughtful and dynamic Board members, who have an unwavering commitment to good governance and accountability.

A key focus for the Board over this past financial year has been the government's proposed amendments to the *Construction Industry Long Service Leave Act 1987*. It is our understanding that the proposed amendments will be debated by Parliament in the second half of 2024. We look forward the outcome of this debate, and to implementing the eventual changes to the South Australian construction industry's portable long service leave scheme.

The Board has also taken an active role in monitoring the government's proposed establishment of a portable long service leave scheme for the community services sector.

In February 2024, I attended the first face to face AUSLeave conference to be held since the pandemic. Membership of AUSLeave consists of all portable long service leave schemes across Australia. The conference provided an excellent opportunity to connect with and learn from Chief Executive Officers and Presiding Members from the various different schemes. The next conference will be held online in the fourth quarter of 2024 and will provide another opportunity to discuss common issues.

Finally, I am pleased to report that the Board initiated its first approach to market for over a decade for the scheme's investment advisor and investment manager services. This has been a significant undertaking, requiring expert procurement advice and the establishment of a sub-committee of the Board. I look forward to reporting on the outcome of this procurement in the next annual report.

It is important to take this opportunity to thank Maree Boland, the Board's previous Presiding Member, for her leadership between July 2017 and June 2023. Other changes to the Board's membership over the past year include John Adley joining the Board in July 2023, and Peter Russell resigning from the Board in June 2024. I am grateful to all Board members (past and current), and their deputy members, for dedicating their time and expertise to the scheme.

The Chief Executive Officer and the staff of the scheme have undertaken a significant program of transformation across the business over this past financial year. I am grateful for their evident and ongoing commitment to ensuring the scheme provides an excellent, efficient and accessible service to the employers and employees of the South Australian construction industry. I look forward to witnessing the continuing benefits of the change program throughout this next year.



Kim Eldridge
Presiding Officer



Chief Executive Officer Report

I am pleased to provide my second report as Chief Executive Officer of the Portable Long Service Leave business.

Through the first half of the year, a significant amount of work was undertaken to ensure that the activities that each role in the business were fully understood and that there were up to date process maps and work instructions for all work being undertaken.

This work allowed the team structure to be re-set around its core functions of Customer Service, Compliance, Finance and Field. Senior staff members were then appointed to run each of these functions, additional resources were approved by the Board, and good progress has been made in ensuring that all requirements of the Construction Industry Long Service Leave Act are being met.

One of the key changes that has been made this year is the re-establishment of the Field function within the Portable Long Service Leave business. Active promotion of the scheme is once again taking place with regular presentations being made right across the industry to ensure that awareness of responsibilities under the legislation are understood by both employers and employees alike.

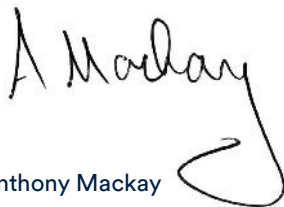
Work has been undertaken to build up the Compliance function of the business. Outstanding actions in this area are now largely up to date, and a detailed compliance plan has been established to ensure that all legislative activities are being undertaken on an ongoing basis.

The business has also actively worked with its supplier organisations that support the Finance function (including the actuary, accountants and auditors) to ensure improved outcomes in these important areas.

Given the current, and ever growing, risks in the Information Technology space a review is progressing on what actions need to be taken by the Portable Long Service Leave business to further strengthen its current IT security position.

I am pleased to advise that a Reflect Reconciliation Action Plan (RAP) for the Portable Long Service Leave business was submitted to Reconciliation Australia for review and approval in late 2023, and conditional approval has now been received. Work will continue in this area throughout the next financial year and beyond.

I would like to take this opportunity to thank the Board for their continued guidance and support and to thank the dedicated Portable Long Service Leave team for their hard work and endeavour to continue to provide a great service to all SA construction industry employees and employers.



Anthony Mackay
Chief Executive Officer



Scheme Statistics

Workers

**38,234 ↑ 1.6%**Total Registered
Workers**29,349 ↑ 5.4%**Workers who accrued
service this year**5,782 ↑ 6.2%**

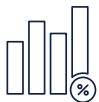
Apprentices Registered

**8,543 ↓ 4.8%**New Workers
Registered**9,821 ↑ 3.8%**Workers with
Vested Benefits**2,586 ↑ 7.2%**Payments Made
to Workers**\$19.3M ↑ 7.5%**Value of Payments
Made to Workers

Employers

**3,143 ↑ 5.0%**Total Employers
Registered**438 ↑ 16.2%**New Employers
Registered**99.6% ↑ 1.2%**Employer Returns
Received**\$24.5M* ↑ 9.7%**Employer Contributions
*Includes prior year adjustments

Operations

**2.0%**

Levy Rate

**192M ↑ 10.3%**

Investment Assets

**7.2%**

Investment Return

**2.9M ↑ 37.2%**

Operational Expenses

**183M ↑ 10.4%**

LSL Liabilities

**104.8%**

Liability Cover



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Finance

State of the Fund

As of 30 June 2024, the Fund has an accumulated Surplus of **\$9.4M** and a solvency ratio of **104.8%**.

Summary of Financial Year

In FY2024 the Board reported an operating surplus of \$5.59M.

Levy revenue increased 9.7% from FY2023 to \$24.46M. The increase was representative of increased worker registrations along with wage inflation during the year.

Realised and unrealised investment gains totalled \$12.86M representing a 7.2% return on investment.

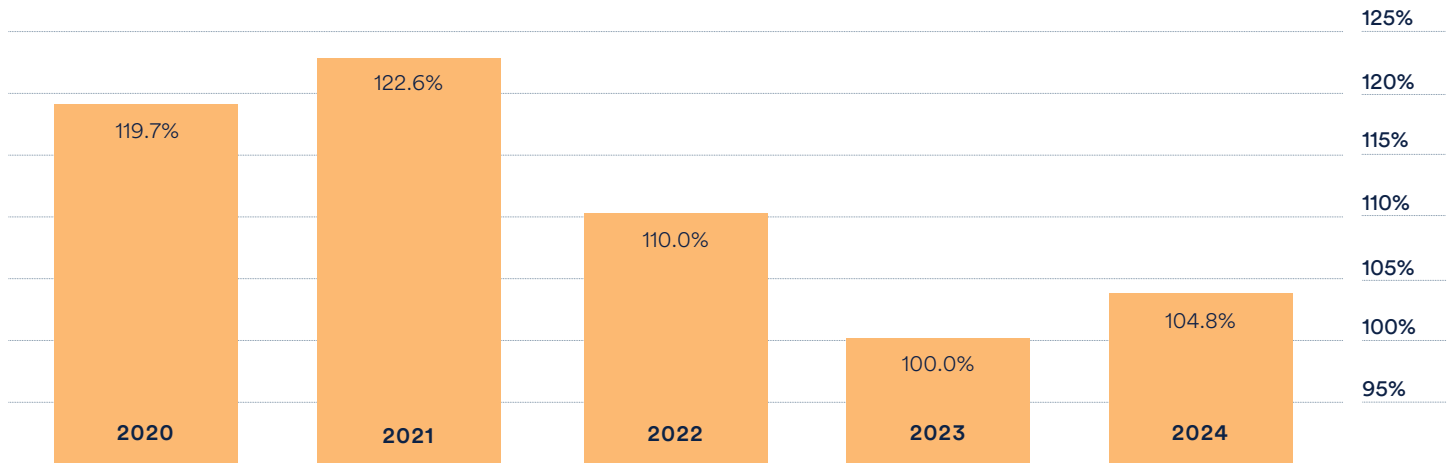
The volume of worker payment claims increased by 7.2% from FY2023.

Cash flows from operating activities (excluding investment income) were positive in FY2024 reflecting increased levy collections made during the year. No redemptions were required from investments to supplement operating cash flows.

Actual 2023/24 (\$ Million)

Income	
Levies	24.462
Investments (Including Cash Holdings and Term Deposits)	12.863
Other	0.01
Total Income	37.335
Expenditure	
Long Service Leave Payments	19.306
Increase in Accrued LSL Liability	9.133
Salaries and Related Costs	1.234
Operating Costs	2.064
Total Expenditure	31.737
Surplus/(Deficit)	5.598

Solvency Ratio



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 have historically been as follows:

Maximise investment returns, subject to:

- A high probability the net return exceeds the inflation rate (CPI) by at least 2% per annum over rolling five-year periods.
- Limiting the probability of a negative annual return to one year in every four years, on average.
- A high probability that the Fund will maintain a solvency between 100% and 115%.*

A review of the Board's investment Strategy and Investment Objectives was undertaken during the year to ensure that they are driving the required outcomes for the scheme.

The new investment objectives are as follows:

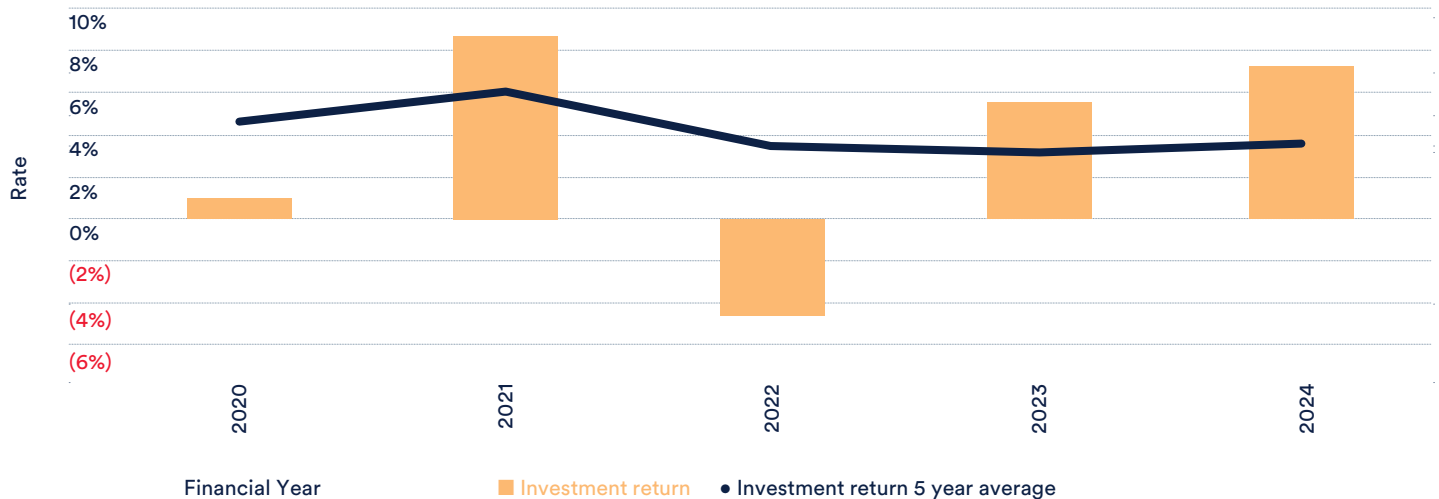
- The fund to achieve a solvency rate of 115% in the next 5 years by 30 June 2028.
- The net investment return of 6.4% to be achieved across each of the next 5 years on average.
- The likelihood of losing more than 5% of the scheme's investment assets being less than 10%

Both growth and defensive assets performed well this financial year, except for unlisted real estate assets which performed poorly making a 7.9% loss for the year.

**Subject to the actuarial liability assumptions and actual cashflow/wage inflation.*

Five Year Investment Return

The five-year average return on investments held by the Board is **7.2%**.



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 2023/2024 Financial Year is:

Financial Year	2024
Contribution Rate (bimonthly)	\$270
Interest Rate	6.0%

The bimonthly 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 2023/2024 financial year Mercer 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 FY2024 actuarial valuation estimates the Board's liability (excluding registered contractors and working directors) to be **\$183M** with Vested Benefits being **\$150M**.

Financial Year 2024	Value of Liability (excluding self-employed contractors and working directors)	Leaving Industry Vested Benefits (excluding self-employed contractors and working directors)
Value of Liability	\$183,839,000	\$150,310,00

The FY2024 valuation estimates the Board's liability in relation to self-employed contractors and working directors to be \$7.49M.

The FY2024 valuation estimates the Board's total liability to be \$191M.

Assumption	Financial Year 2024	Financial Year 2023 (Restated)
Construction Workers	\$183,839,000	\$174,706,000
Self-Employed Contractors \ Working Directors	\$7,497,000	\$7,259,000
Total Provision Long Service Leave Entitlements	\$191,336,000	\$181,965,000

Average Weekly Earnings

Average weekly earnings increased in FY2024 by 6.6% to \$1,598 (\$1,499 in FY2023).

The Fund remains in a satisfactory financial position as at 30th June 2024 with an accumulated surplus (total assets less total liabilities) of \$9.4M and a solvency ratio of 104.8%.

Audit Services

Nexia Edwards Marshall were appointed the Board's auditors in 2019. An unqualified audit opinion was achieved during the 2023/2024 Financial Year.



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Operations

Customer Service

Registrations

FY2024 saw an increase of 1.6% in total registered workers, a 5.4% increase in workers who accrued service in the financial year and an increase in registered employers of 5.0%.

Financial Year	FY2024	FY2023	% Changes
Total Registered Workers	38,234	37,639	1.6%
Workers who contributed this financial year	29,349	27,836	5.4%
Total Registered Employers	3,143	2,994	5.0%
Self-Employed Contractors/Working Directors registered this financial year	507	503	0.8%

Age demographics remain **consistent** with previous years with a **significant** proportion of registrations being under the age of **40 (65%)** and an even **higher** proportion under the age of **50 (80%)**.

Employer Returns

Each registered employer must furnish the Board with an 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
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
2021	14,595	12,005	82%	2,590	18%	420	3%	\$31,500
2020	13,604	11,529	85%	2,075	15%	393	3%	\$29,475

Claims

Long Service Leave Claims by Age										
Financial Year	<30		30-39		40-49		50-59		60+	
	No.	%	No.	%	No.	%	No.	%	No.	%
2024	176	7%	897	35%	593	23%	527	20%	393	15%
2023	162	7%	901	37%	529	22%	451	19%	370	15%

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.	%	%
2024	1647	64%	663	25%	77	3%	199	8%	8%
2023	1615	67%	559	23%	56	2%	183	8%	8%

Usage of Long Service Leave

Leave utilization measured as a percentage of claims to registrations has **increased** slightly from **6.4%** last year to **6.7%** this year and is consistent with the **five year average of 6.5%**.

Usage of leave is spread broadly across age bands however 85% of leave utilized is for persons under the age of 60 indicating many employees are utilizing long service leave during their working years rather than saving it until retirement.

Claims involving interstate service represented 11% of all claims reflective of the transient nature of work across Australia.

Apprentices

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

Worker Types				
Financial Year	Construction Worker		Apprentices	
	No.	%	No.	%
2024	32452	85%	5782	15%

Compliance Report

Portable Long Service Leave strives to provide clear and consistent advice to workers and employers to help them navigate the requirements of the Act. In 2023 / 2024, a Compliance Team was established to better manage the registration process and assessment of eligibility for both workers and employers.

Registrations

In 2023 / 2024 there were 438 new employers and 97 Self Employed Contractors and Working Directors who were assessed as eligible and registered with Portable Long Service Leave.

Return Lodgement

Additional resources were assigned to manage the returns lodgement process and resulted in a reduction of overdue returns by more than 400 over the previous financial year period. Employers with 3 or more overdue returns were reduced from 38 in July 2023, to 14 in June 2024.

Proactive Compliance

The Compliance Team identified unregistered employers through field activities and worker initiated missing service investigations. 131 Employers were identified and contact was initiated with 56 Employers.

Activity	FY2024
Prospective Employers Identified	131
Prospective Employer Reviews Initiated	56

Audits

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

Activity	FY2024
Employer Audits	31

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	FY2024
Unregistered Service Investigations	126

Legal Activities

Prosecution action was commenced for failure to lodge employer returns and non-payment of levies where other measures had not been able to achieve compliance. 15 of the 16 employers lodged all overdue returns prior to their hearings.

South Australian Employment Tribunal

Four cases were referred to the South Australian Employment Tribunal by employers for review and all were withdrawn by the applicants.

Field

There has been a renewed focus on increasing the level of field activities throughout the 2023-2024 year.

The Field team have visited over 160 construction sites and engaged with over 2000 workers throughout the year.

The Field team have designed new hard copy material such as Employer flyers, Employee / Apprentice flyers and site posters which have been printed and distributed on site and to stakeholders.

The number of presentations to apprentices has also increased this year with 97 presentations having been made to over 580 apprentices at TAFE (both Tonsley and Elizabeth), ATEC, PEER and NECA for Plumbing, Tiling, Electrical, Glazing, Painting, Bricklaying, Carpentry, and Plasterer apprentices.

Engagement with stakeholder groups has increased with presentations and discussions being held at many employer associations and unions to provide greater awareness of the scheme.

Advertising and editorials in member-based publications and improved digital presences on websites has also been undertaken.

Regional Trips have also been a focus for the Field team throughout the year with visits to the Iron Triangle, Yorke Peninsula, Eyre Peninsula, Mid North, Riverland and South East having been undertaken. These trips have been important in raising the awareness of the Portable Long Service Leave scheme in regional and country areas with both employers and workers.



Portable Long Service Leave
Take it with you

Employers
South Australian Construction Industry - Portable Long Service Leave Scheme

What is Portable Long Service Leave?
Portable Long Service Leave (PLSL) exists to cater for the transient nature of the construction industry, where workers frequently move from project to project and employer to employer.

In the 1970s, industry groups (both employers and employees) recognised that for most workers in construction, long service leave would be unachievable. Wanting to ensure a strong and vibrant construction industry in SA, and an attractive industry to existing workers and newcomers, industry groups introduced a Portable Long Service Leave scheme. This means long service leave can be transferred from employer to employer, as long as the employee stays within the construction industry.

Each state and territory in Australia has its own long service scheme for the building and construction industry. All schemes have entered into an agreement to recognise the service days accrued in other schemes. This means that once a worker has accrued enough service days in the construction industry working anywhere in Australia, they will be eligible to take long service leave.

Who's covered?
Full-time, part-time and casual employees (including apprentices) that spend more than half of their time on site and performing building, electrical or metal trades work as defined in the Construction Industry Long Service Leave Act 1987 and perform a kind of work referred to in the prescribed benefits are covered by the Act.

The minimum amount of work required for registration is 5 or more hours per day for 2 or more days per month.

Are apprentices covered?
Apprentices also accrue service days, just like other eligible construction workers. Employers are required to report service days, but are not required to pay a levy for an apprentice whilst they are undertaking a registered apprenticeship or traineeship.

When can an employee take long service leave?
Employees are entitled with 1 service day for the following paid days:

- Where they have taken annual leave or personal/lock leave
- On public holidays
- On rostered days off (RDO)
- When receiving workers' compensation (for a period of up to 2 years)
- Trade school days (agreed)

300 service days is equivalent to 1 full time year of service.

When an employee has accrued 2,000 service days (equivalent to 10 years of full time service), they are entitled to up to 10 weeks of long service leave.

The minimum period for long service leave is 2 weeks, and both the employer and worker must agree when this leave is to be taken.

If a worker has accrued at least 1,000 service days (equivalent to 5 years of full time service) they are entitled to a pro-rata payment, provided they cease employment as a construction worker and do not intend to return to an eligible role in the construction industry within 12 months.

February 2024



Portable Long Service Leave
Take it with you

Workers
South Australian Construction Industry - Portable Long Service Leave Scheme

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If you are performing work covered by the Act, each of your employers is required to report service days for you on a regular basis. Once you have recorded 2,000 service days (equivalent to 10 years full time employment) we will give you to take a 12 week break. Every additional 200 service days recorded entitles you to another week of leave.

If you're an apprentice performing building, electrical or metal trades work, your employer is required to register you for Portable Long Service Leave. There is no cost for your employer, and during a 4 year apprenticeship you can accrue up to 52 weeks of long service leave.

What is a service day?
You will be credited with 1 service day for the following paid days:

- Days worked 5 or more hours
- Annual leave
- Personal/lock leave
- Public holidays
- Rostered days off
- Workers compensation (up to a period of 2 years)
- Trade school days (agreed)

You can receive a maximum of 300 service days per year (5 days per week x 10 weeks).

Benefits
As the name suggests, long service leave in the construction industry is a privilege! This means you can move from employer to employer without losing your entitlement.

Although a highly rewarding industry, construction can also be a hectic, constant problem-solving, long hours, safety risks, billion dollar projects, million-dollar equipment, and constantly changing projects can result in costs to business of turnover, burnout, production and injury. Even small routine installation or service and maintenance tasks can be repetitive, and take their toll through burnout and de-motivation. 10 weeks leave after 10 years of service provides sufficient time to rest, recharge, learning new skills, research, reducing safety risks and increasing productivity.

February 2024



Portable Long Service Leave

Take your long service leave with you between employers

Starting a new job doesn't mean starting all over again.

If you're a full time, part time, casual employee or an apprentice in an eligible role of the construction industry and working on site for more than 50% of the time for 10 years, you may be eligible for Portable Long Service Leave.

- Your Leave will continue to accrue if you change employers or move interstate if you maintain employment in the construction industry.
- Once you reach your entitlement, you can enjoy up to 10 weeks of well-deserved long service leave.
- You could be enjoying your next holiday, sooner than you think!

Learn more at portableleave.org.au

February 2024



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). Portable Long Service Leave 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.

Appointments

The Board was originally appointed by the Governor on 27th June 2017, effective 1st July 2017 for a period of 5 years. On 29th September 2022 the full Board (including Deputies) was re-appointed for a further 5 year term expiring on 28th September 2027.

During the year the following changes were advised:

- Kim Eldridge (Presiding Officer) – appointed 14th December 2023.
- John Adley (Board Member) – appointed 6th July 2023.
- Peter Russell (Board Member) – resigned 26th June 2024.

Board Meetings

During the 2023/2024 year the Board met on 12 occasions, excluding sub committees and working parties.

Board Members	Nominating Body	Meetings Available to Attend	Meetings Attended
Ms Kim Eldridge	Independent Presiding Officer	6	5
Mr Peter Bauer	SA Unions	12	10
Mr Peter Russell	SA Unions	12	6
Mr John Adley	SA Unions	12	6
Mr Stephen Knight	Housing Industry Association	12	12
Mr Steve Minuzzo	Master Builders Association	12	11
Mr Larry Moore	National Electrical and Communications Association	12	12

Deputies

Mr Stuart Gordon	SA Unions	0	0
Mr Adrian Valente	SA Unions	4	4
Mr Marcus Paré	SA Unions	4	4
Ms Melissa Byrne	Housing Industry Association	0	0
Ms Demi Brown	National Electrical and Communications Association	0	0
Ms Holly Gardner	Master Builders Association	0	0

Board Committees

Due to its small size and frequency of meetings the Board does not have standing subcommittees. Instead, the Board establishes sub committees on an as-required basis to provide closer attention to important issues facing the organisation. In 2023/2024 the Board established two subcommittees as follows:

- Legislation review subcommittee, and
- Investment Advisor and Investment Manager procurement subcommittee.

Overseas Travel

During the 2023/2024 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 by the Board of Portable Long Service Leave Business.

Annual Report

The 2022/2023 Annual Report was tabled in Parliament in accordance with the Act on the 17th of October 2023.

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 level was reviewed during the year and the Board is now classified as a Category 1, Level 5 Board.

Financial Performance

The Board received an Unqualified Audit Report from Nexia Edwards Marshall for the 2023/2024 year.

Fraud

No instances of external fraud/theft were detected during the 2023/2024 financial year.

Delegations

The Board maintains a schedule of delegations that is reviewed annually. It was reviewed and subsequently approved in the June 2024 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.

Insurance

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



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People

HR Engagement

The business implemented a HR Engagement Plan to increase employee involvement, satisfaction, and productivity across the business during the year. This initiative reflects our commitment to promoting a positive workplace culture, where employees are empowered to contribute meaningfully and succeed in their careers. By focusing on engagement strategies and creating opportunities for collaboration and development, the PLSL business aims to sustain a supportive and encouraging work environment.

Career Pathing

A new career pathing structure was rolled out across the PLSL business during the year and training plans have been put in place for all PLSL staff. Additionally, leadership and mentoring activities were introduced to enhance the skills of all senior team members.

Reconciliation

PLSL embraced the opportunity to begin its Reconciliation journey during the year and in doing so has developed a Reconciliation Action Plan (RAP). The RAP aims to enhance brand recognition within the Aboriginal and Torres Strait Islander community and to reflect PLSL's social responsibility in this area.

Occupational Safety, Health and Injury Management

The Board is committed to ensuring the well-being and safety of its staff. The reportable statistics for the year are:

Results for year (2023/2024)	
Number of fatalities	Zero
Lost time injury and disease	Zero
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	Zero

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 strive 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.

Social

Employees actively engaged in various initiatives throughout the year, including an employee-managed social club, participation in footy tipping competitions, and involvement in construction industry awards and events. Monthly social gatherings provide opportunities for informal connections across teams, and each team members birthday is celebrated, ensuring all team members feel valued and appreciated.



27

Financial Statements

Statement by the Board

In the opinion of the Board:

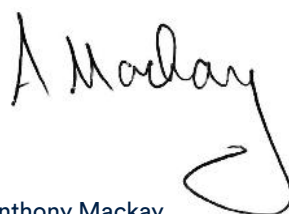
1.
 - (a) The accompanying Statement of Comprehensive income gives a true and fair view of the surplus of the Construction Industry Long Service Leave Board for the year ended 30th June 2024;
 - (b) The accompanying Statement of Financial Position gives a true and fair view of the state of affairs of the Construction Industry Long Service Leave Board as at 30th June 2024;
 - (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 30th June 2024; 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

20th September 2024



Anthony Mackay
Chief Executive Officer

20th September 2024

Construction Industry Long Service Leave Board
Statement of Comprehensive Income
For the Year Ended
30 June 2024

	Note	2024	2023
		\$000	Restated \$000
Income From Ordinary Activities			
Levies	4	24,462	22,299
Realised Investment Income	4	10,578	5,472
Unrealised Gain on Financial Assets at Fair Value through Profit or Loss	4	2,285	4,205
Other	4	10	17
Total Income		37,335	31,993
Expenses From Ordinary Activities			
Worker Payments Expense	5	28,439	33,746
Contractor Interest		418	83
Employee Benefits Expense	6	1,234	1,053
Depreciation Charge for Property, Plant and Equipment	11	21	18
Depreciation Charge for Right of Use Asset	12	89	89
Interest Expense on Lease Liability		12	13
Impairment Loss on Receivables	10	341	48
Other Expenses	7	1,183	880
Total Expenses		31,737	35,930
Total Surplus (Deficit)		5,598	(3,937)
Total Other Comprehensive Income		-	-
Total Comprehensive Income		5,598	(3,937)

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 2024

	Note	2024	2023
		\$000	Restated \$000
Assets			
Cash and Cash Equivalents	9	16,421	3,963
Receivables and Other Assets	10	5,624	4,356
Financial Assets	10	179,128	177,828
Property, Plant and Equipment	11	86	91
Right of Use Asset	12	543	632
Total Assets		201,802	186,870
Liabilities			
Trade and Other Payables	13	289	245
Lease Liability	12	630	717
Employee Benefits	14	106	100
Worker Payments	14	183,839	174,706
Registered Contractor Contribution Fund	14	7,497	7,259
Total Liabilities		192,361	183,027
Net Assets		9,441	3,843
Equity			
Accumulated Surplus		9,441	3,843

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

Construction Industry Long Service Leave Board
Statement Of Cash Flows
For The Year Ended
30 June 2024

	Note	2024	2023
		\$000	\$000
		Inflows (Outflows)	Inflows (Outflows)
Cash Flows From Operating Activities			
Receipts From Levies and Operations		24,243	21,803
Payments to Workers		(19,306)	(17,922)
Payments to Suppliers and Employees		(2,313)	(1,809)
Repayment of Interest Portion of Lease Liabilities		(12)	(13)
Interest Received		1,032	44
Net Cash Provided by (Used In) Operating Activities		3,644	2,103
Cash Flows From Investing Activities			
Net investment in term deposits & managed funds		9,098	(3,988)
Payments for Plant and Equipment		(16)	(53)
Proceeds from Sale of Plant and Equipment		-	21
Net Cash Provided by (Used In) Investing Activities		9,082	(4,020)
Cash Flows From Financing Activities			
Net payments from Registered Contractors Fund		(181)	150
Repayment of Principal Portion of Lease Liabilities		(87)	(82)
Net Cash Provided by (Used In) Financing Activities		(268)	68
Net Increase (Decrease) in Cash Held		12,458	(1,849)
Cash at the Beginning of the Year		3,963	5,812
Cash At The End of the Year	9	16,421	3,963

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

Construction Industry Long Service Leave Board
Statement Of Changes In Equity
For The Year Ended
30 June 2024

	Note	Retained Earnings \$000	Total Equity \$000
Balance at 30 June 2022		19,045	19,045
Adjustment for Correction of Error	3	(11,265)	(11,265)
Balance at 30 June 2022 - Restated		7,780	7,780
Deficit for 2023		(7,044)	(7,044)
Adjustment for Correction of Error	3	3,107	3,107
Deficit for 2023 - Restated		(3,937)	(3,937)
Balance at 30 June 2023		12,001	12,001
Adjustment for Correction of Error	3	(8,158)	(8,158)
Balance at 30 June 2023 - Restated		3,843	3,843
Surplus for 2024		5,598	5,598
Balance at 30 June 2024		9,441	9,441

The above statement should be read in conjunction with the accompanying notes.
Refer to Note 3 for detailed information on Restatement of comparatives.

Construction Industry Long Service Leave Board Notes To The Financial Statements For The Year Ended 30 June 2024

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 20 September 2024.

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 and financial liabilities.

(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) COMPARATIVE INFORMATION

The presentation and classification of items in the financial report are consistent with prior periods, unless otherwise stated.

In the Statement of Cash Flows, Net Payments from Contractors Fund has been re-classified from Investing Activities to Financing Activities. Repayment of Interest Portion of Lease Liabilities has been re-classified from Financing Activities to Operating Activities.

(d) 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.

(e) 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.

(f) 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 4: Revenue recognition - recognition of income from levies and penalties;
- Note 10: Receivables – measurement of estimated credit loss allowance for trade and other receivables - key assumptions in determining the average historical loss rate;
- Note 11: Impairment test of plant and equipment - key assumptions underlying the identification of impairment indicators;
- Note 12: Leases - whether a contract is, or contains, a lease and the assessment of the lease term;
- Note 14: Provision - Worker Payments - key actuarial assumptions;
- Notes 14 and 15: Recognition and measurement of provisions and contingencies - key assumptions about the likelihood and magnitude of an outflow of resources.

(g) 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 RESTATEMENT OF COMPARATIVES

Management has identified a misstatement related to information presented within the financial statements for the year ended 30 June 2023 and has restated the comparatives for the prior period presented. The misstatement related to the understatement of the Worker Payment Provision by \$8.16 million due to an error in the Actuarial Review model for the year ended 30 June 2023.

The restatement results in a reduction of worker payment expenses by \$3.11 million for the year ended 30 June 2023 and an increase of worker payment expenses by \$11.27 million for the year ended 30 June 2022.

Statement of Comprehensive Income

Extract	2023		2023
	Previously Stated	Adjustment	Restated
	\$000	\$000	\$000
Actuarial Assessment of 30 June Liability	166,548	8,158	174,706
Worker Payments during the Year	17,952	-	17,952
Actuarial Assessment in Previous Year	(147,647)	(11,265)	(158,912)
Total Worker Payments Expense	36,853	(3,107)	33,746

Statement of Financial Position

Extract	2023		2023
	Previously Stated	Adjustment	Restated
	\$000	\$000	\$000
Liabilities			
Worker Payments			
Expected to be settled within 12 months	22,000	-	22,000
Expected to be settled after 12 months	144,548	8,158	152,706
Total Worker Provisions	166,548	8,158	174,706
Equity			
Accumulated Surplus			
Retained Earnings at 30 June 2022	19,045	(11,265)	7,780
Total Surplus/Deficit for the year	(7,044)	3,107	(3,937)
Retained Earnings At 30 June 2023	12,001	(8,158)	3,843

4 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 2024. 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.

Other Income

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

5 WORKER PAYMENTS EXPENSE

	2024	2023
		Restated
	\$000	\$000
Actuarial Assessment of 30 June Liability	183,839	174,706
Worker Payments During the Year	19,306	17,952
Actuarial Assessment in Previous Year	(174,706)	(158,912)
Total Worker Payments Expense	28,439	33,746

6 EMPLOYEE BENEFITS EXPENSE

	2024	2023
	\$000	\$000
Salaries and Wages	1,033	913
Long Service Leave	5	(9)
Annual Leave	2	(11)
Employment on-costs - Superannuation	127	89
Employment on-costs - Other	19	16
Board Fees	48	55
Total Employee Benefits Expense	1,234	1,053

The number of employees at 30 June 2024 was 13 (2023: 11).

7 OTHER EXPENSES

	2024	2023
	\$000	\$000
Motor Vehicles	14	15
Accommodation	36	33
Staff Training and Development	169	91
Audit, Actuary and Legal	213	178
Consultancy	124	123
Information and Telecommunications Technology	447	298
Other Administration	180	142
Total Other Expenses	1,183	880

8 AUDITOR'S REMUNERATION

	2024	2023
	\$000	\$000
Remuneration of the Auditor of the Board for:		
Auditing the Financial Statements	17	17
	17	17

9 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:

	Note	2024 \$000	2023 \$000
Cash at Bank	19	16,421	3,963
Total Cash and Cash Equivalents		16,421	3,963

10 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, its 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.

Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets at fair value through other comprehensive income include equity investments which the Board intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of Financial Assets

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.

	2024	2023
	\$000	\$000
Financial Assets at Fair Value Through Profit or Loss		
Managed Funds	131,322	162,863
Financial Assets at Amortised Cost		
Term Deposits	47,806	14,965
Total Financial Assets	179,128	177,828

	2024	2023
	\$000	\$000
Current		
Employer Debtors	551	804
Credit Loss Allowance	(174)	(135)
	377	669
Accrued Contributions	3,297	3,144
Sundry Debtors and Prepayments	1,950	543
Total Receivables	5,624	4,356

	2024	2023
	\$000	\$000
Balance at 1 July	135	135
Amounts Written Off	(302)	(48)
Amounts Recovered During the Year	-	-
Amounts Recognised	341	48
Carrying Amount at the End of the Year	174	135

11 PROPERTY, PLANT AND EQUIPMENT

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

The residual values, useful lives and depreciation/amortisation 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 diminishing value and prime cost 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.

	2024	2023
	\$000	\$000
Leasehold Improvements at Cost	46	46
less Accumulated Depreciation	(46)	(46)
	-	-
Office Equipment at Cost	102	89
less Accumulated Depreciation	(73)	(64)
	29	25
Office Furniture and Fittings at Cost	48	45
less Accumulated Depreciation	(24)	(20)
	24	25
Motor Vehicles at Cost	55	55
less Accumulated Depreciation	(22)	(14)
	33	41
Total Plant and Equipment at Cost	251	235
less Accumulated Depreciation	(165)	(144)
Total Plant and Equipment	86	91

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 \$000	Office Equipment \$000	Office Furniture \$000	Motor Vehicles \$000	Total \$000
2023					
Balance at Beginning of Year	-	10	26	25	61
Additions	-	22	4	27	53
Disposals	-	-	(1)	(4)	(5)
Depreciation Expense	-	(7)	(4)	(7)	(18)
Balance at End of Year	-	25	25	41	91
2024					
Balance at Beginning of Year	-	25	25	41	91
Additions	-	13	3	-	16
Disposals	-	-	-	-	-
Depreciation Expense	-	(9)	(4)	(8)	(21)
Balance at End of Year	-	29	24	33	86

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 2024.

12 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 leases its office accommodation at Rose Park. The premises are recognised as a right of use (ROU) asset with a corresponding lease liability in the Statement of Financial Position. The lease is subject to variable lease payments, due to an annual increase and reduced by a lease incentive for a period of 2 years. The term of the lease is 5 years, with extension options the Board is reasonably likely to exercise for a further 2 and 2 years.

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.

The Board has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

	2024	2023
	\$000	\$000
Right of Use Asset	1,262	1,262
Less Accumulated Depreciation	(719)	(630)
Total Right of Use Asset	543	632

The Board has elected not to recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less or leases of low value assets including IT equipment and expenses these on a straight line basis over the lease term.

	2024	2023
	\$000	\$000
Lease Liability	630	717
TOTAL LEASE LIABILITY	630	717
Future lease payments	2024	2023
Future lease payments are due as follows:	\$000	\$000
Within One Year	102	99
One to Five Years	555	539
More Than Five Years	10	128
	667	765

13 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.

The accounting policies relating to financial liabilities including Payables are detailed in Note 10 Financial Instruments.

	2024	2023
	\$000	\$000
Financial Liabilities at Amortised Cost		
Trade Creditors	122	87
Sundry and Other Creditors	167	158
Total Payables	289	245

14 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 2024. The actuarial report for the Construction Industry Long Service Leave Board was prepared by Mark Samuels, FIAA of Mercer and was dated 26 August 2024.

The actuarial report indicates Mr Samuels is satisfied as to the accuracy of the data upon which the worker payment liabilities have been determined.

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 JANA 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.

	2024	2023
	\$000	Restated \$000
Worker Payments		
Expected to be Settled Within 12 months	17,000	22,000
Expected to be Settled After 12 months	166,839	152,706
Total Worker Provisions	183,839	174,706
Registered Contractor Contribution Fund		
Expected to be Settled Within 12 months	500	500
Expected to be Settled After 12 months	6,997	6,759
Total Registered Contractor Provisions	7,497	7,259
Employee Benefits		
Annual Leave Expected to be Settled Within 12 months	40	38
Long Service Leave Expected to be Settled Within 12 months	48	48
Long Service Leave Expected to be Settled After 12 months	18	14
Total Employee Provisions	106	100

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

	Employee Annual Leave \$000	Employee Long Service Leave \$000	Worker Payments \$000
2023 - Restated			
Carrying Amount at Beginning of Year	48	71	158,912
Provisions Used	(80)	(34)	(17,952)
Additional Provisions Recognised	70	25	33,746
Carrying Amount at End of Year	38	62	174,706
2024			
Carrying Amount at Beginning of Year	38	62	174,706
Provisions Used	(78)	(10)	(19,306)
Additional Provisions Recognised	80	14	28,439
Carrying Amount at End of Year	40	66	183,839

Included in the additional provision recognised for worker payments was an amount of \$8.6m (2023: \$7.5m) 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.

15 CONTINGENT ASSETS AND LIABILITIES

The board has provided bank guarantee as at 30 June 2024 of \$24,447 (2023: \$24,447) to support the lease agreement.

The Board is not aware of any contingent assets present as at 30 June 2024

16 CAPITAL COMMITMENTS

The Board is not aware of any capital commitments present as at 30 June 2024

17 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 recurring basis, or any assets or 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.

	2024	2023
	\$000	\$000
Recurring Fair Value Measurements		
Financial Assets		
Financial Assets at Fair Value Through Profit or Loss	131,322	162,863
Carrying Amount at End of Year	131,322	162,863

18 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.

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties such as levies paid in the capacity of an employer at the levy rate as it relates to employees and for a value of \$1,465 (2023: \$1,375), and Worker Payment Employer Reimbursements for a value of Nil (2023: \$31,558). The nature of the relationship identified is that of a KMP acting as the director of a registered employer.

	2024	2023
	\$000	\$000
KMP Compensation		
Short-term Employee Benefits	271	436
Post-employment Benefits	40	36
	311	472

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

Ms Kim Eldridge (Presiding Officer)	
Mr Steven Minuzzo	Ms Holly Gardner (Deputy)
Mr Laurence Moore	Ms Demi Brown (Deputy)
Mr Stephen Knight	Ms Melissa Byrne (Deputy)
Mr Peter Russell	Mr Marcus Paré (Deputy)
Mr Peter Bauer	Mr Stuart Gordan (Deputy)
Mr John Adley	Mr Adrian Valente (Deputy)

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

Ms Kim Eldridge was appointed on 14th December 2023.

Mr Peter Russell resigned on 26th June 2024.

19 FINANCIAL RISK MANAGEMENT

The Board has exposure to risk in performing its statutory functions. The Board has a structured approach to risk management including a Risk Management Framework and Risk Register reviewed regularly by an internal risk review committee.

The Board is exposed to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit Risk

Credit risk is the risk of financial loss to the Board if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from receivables from employers for levies.

The carrying amounts of receivables represent the maximum credit exposure. The Board had no significant concentrations of credit risk with any single counterparty or group of

counterparties. Impairment losses on financial assets and contract assets recognised in profit or loss are detailed in Note 10 Receivables, Other Assets And Financial Assets.

Liquidity Risk

Liquidity Risk is the risk that the Board will encounter difficulty in meeting its obligations that are settled in cash or another financial asset.

The Board invests in financial assets in managed funds utilising an Implemented Consultant to ensure a range of liquidities and maturities are available. The Board maintains a solvency ratio within a target range.

An actuarial review of the state and sufficiency of the Fund is conducted annually. This review confirms the current position and predicts whether income (levy and investment) will provide sufficient monetary reserves to meet future liabilities.

Market Risk

Market Risk is the risk that changes in prices, i.e. interest rates, foreign currency rates and equity prices will affect the Board's income or holding of financial instruments.

The Board has exposure to interest rate risk on the interest payable on the Registered Contractor Contribution Fund. The interest rate is set annually in advance on actuarial review. The interest rate applicable to the year ended 30 June 2024 is 6.0% (2023: 1.2%).

The Board holds cash and cash equivalents, and term deposits with variable interest rates.

The inclusion of Australian and global equities and other listed investments subjects the Board to equity price risk. The Board has an investment strategy for the management of its financial assets.

Certain investments are designated as at fair value through profit or loss because their performance is actively monitored and they are managed on a fair value basis.

The inclusion of global equities in the investment portfolio subjects the Board to foreign exchange risk. The Board has determined that a percentage of this investment be allocated to a currency hedged trust.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect future cash flows or fair values of financial instruments. The Board's exposure to the risk of changes in market interest rates relates primarily to the investments managed by JANA Investment Advisors and Dexus, and include Australian and global equities, fixed interest, property, fixed interest securities.

The Board does not consider it meaningful to provide an analysis of the sensitivity of the financial assets to changes in interest rates. The Board's investments are subject to interest rate risks and the return on investments will fluctuate in accordance with movements in the market interest rate.

	Note	2024 \$000	2023 \$000
Financial Assets			
Financial Assets at Fair Value Through Profit or Loss			
Managed Investments	10	131,322	162,863
Financial Assets at Amortised Cost			
Cash and Cash equivalents	9	16,421	3,963
Term Deposits	10	47,806	14,965
Trade and Other Receivables	10	5,624	4,356
		201,173	186,147
Financial Liabilities			
Financial Liabilities at Amortised Cost			
Trade and Other Payables	13	289	245
Lease Liability	12	630	765
		919	1,010



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Independent Auditor's Report

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 2024, 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 2024, 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 2024, 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.

Advisory. Tax. Audit.

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.

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
Chartered Accountants



Brett Morkunas
Partner

Adelaide
South Australia

Dated 20 September 2024

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Vision

Every eligible worker and employer in the South Australian construction industry can enjoy the benefit of long service leave.

Values

Service

We provide a high level of service to South Australian construction industry workers and employers.

Sustainable

We achieve the best results for both current and future construction industry workers and employers.

Professional

We exhibit high standards of professional behaviour at all times.

Respect and Trust

We interact in a respectful way and we build trust.

Collaboration and Engagement

We create solutions together.



