LONG SERVICE
BUILDING & CONSTRUCTION

1975-2005 – *30 years of building benefits*

2004-05 Annual Report

BUILDING AND CONSTRUCTION INDUSTRY LONG SERVICE PAYMENTS CORPORATION

Allan, roof tiler
Member since 1975

Hon John Della Bosca MLC
Special Minister of State
Minister for Commerce
Minister for Industrial Relations
Minister for Ageing
Minister for Disability Services
Assistant Treasurer
Vice President of the Executive Council
Parliament House
Macquarie Street
SYDNEY 2000

Dear Minister

I have pleasure in submitting the twenty third Annual Report of the Building and Construction Industry Long Service Payments Corporation for presentation in Parliament.

The report for the year ended 30 June 2005 has been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Annual Reports (Statutory Bodies) Act 1984 and the associated regulations.

Yours sincerely

Jon Blackwell
Chief Executive Officer
WorkCover NSW

28 October 2005

Bill, plasterer
Member since 1975

ISSN 1320-9515

LONG SERVICE
BUILDING & CONSTRUCTION

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Front cover photo:
Phil, carpenter – member since 1975

Director's report

This year marks the 30th anniversary of the establishment of the scheme. The successes and achievements of the scheme continue to clearly demonstrate its worth to the industry. Since the scheme's inception some 115,000 long service payments have been made. The total of payments made since inception plus the present accrued entitlements in the scheme now exceeds $850m. Long service payments in 2004-05 were record numbers and a record total amount.

The Corporation values and acknowledges the strong support of the industry and Industry Committee in this year as well as over the last 30 years. Corporation operations are also very dependent on the services of a number of partner organisations in particular local councils collecting levies, WorkCover providing human resources and information and communication technology services, Office of Industrial Relations providing legal services and the Internal Audit Bureau providing internal audit services. The Corporation acknowledges the importance and professionalism of its staff and the partner organisations in the achievements of this milestone year.

The highlights of achievements against the priorities that were set for the year follow. The Corporation has embarked on the largest ever commitment to implement new technology in the scheme's history. New systems for electronic records management, an electronic service delivery system for employers to advise information and an electronic data and information capturing system have all been introduced. The total redevelopment of the worker registry system that is the predominant system in the organisation has progressed substantially. Its introduction with appropriate new procedures and staffing arrangements is planned for 2006. The introduction of this system is the corporate priority for 2005-06.

The Corporation has continued to seek to provide the best possible customer service to the industry and workers and developed a specifically tailored customer service training program. Over 40 staff undertook the program that comprised five modules and was spread over 4.5 days. This was a substantial commitment to further improve customer services particularly through the predominant telephone Helpline service. The course was also a foundation for staff for the introduction of the new worker registry system in 2006.

Notwithstanding strong investment earnings in 2004-05, increases particularly in scheme liabilities have adversely affected the Corporation's financial position with a deficit of $27.2m being reported as at 30 June 2005. However, the Corporation remains solvent and able to meet all payments. Actuarial investigations have been undertaken as at 30 June in both 2004 and 2005. Consultation has taken place with the Industry Committee in relation to actuarial recommendations and the Committee has endorsed a levy rate increase.

The Industry Committee has also considered and has endorsed a number of proposals for scheme amendments to improve the administration of the scheme. These now need to be considered by the Minister.

Field services and industry education activities continue to be particular areas of focus and increased activities. Record levels of field activities have been undertaken and results of market surveys endorse corporate strategies. The Corporation's program of internal audit and risk review activities provides assurance of the effectiveness of scheme operations.

There is deservedly pride at the continuing performance and achievements of the Corporation that needs to be shared across the Corporation's staff, partner organisations and the industry.

Keith Napper Director

LONG SERVICE
BUILDING & CONSTRUCTION

Charter

The Corporation was established in 1982 and administers the Building and Construction Industry Long Service Payments Act 1986 which provides a portable long service payments scheme to building and construction workers in NSW.

Access

Head Office:	Ground Floor, Corner Donnison and Baker Streets GOSFORD NSW 2250
Branch Office:	Level 1, 10-12 Railway Street LIDCOMBE NSW 2141
Mail:	Locked Bag 3000 Central Coast MC NSW 2252
Telephone:	13 14 41 (local call rates) For calls from mobile phones the usual plan rates apply
Fax:	(02) 9287 5685
Internet Address:	http://www.lspc.nsw.gov.au
E-mail:	info@lspc.nsw.gov.au
Hours:	8.30 am to 5.00 pm Monday to Friday

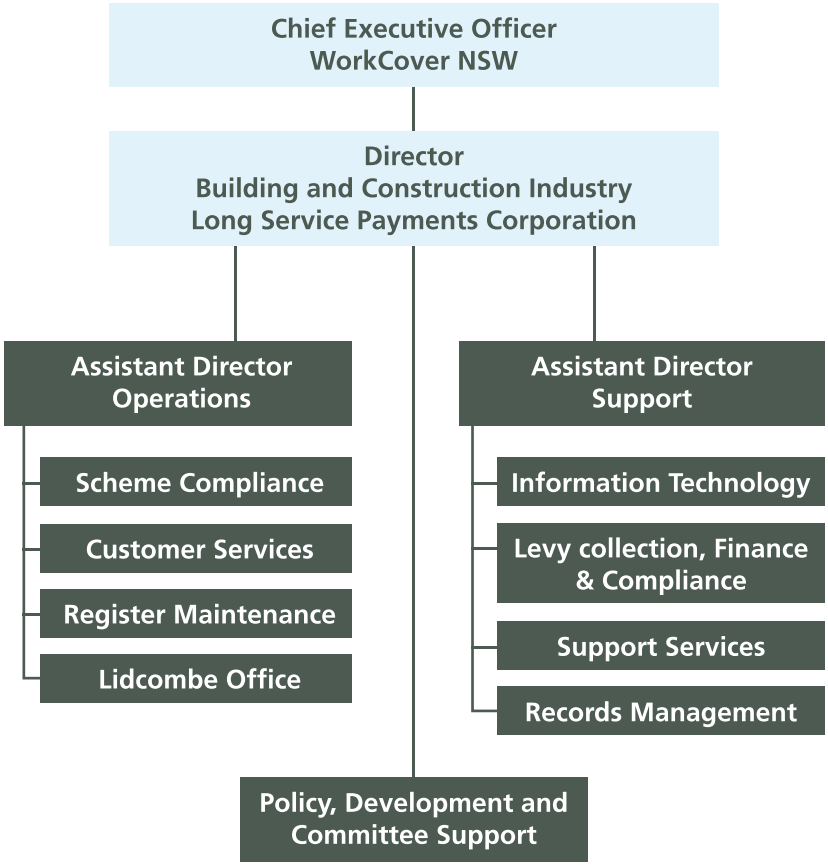
Role of the Corporation

The Building and Construction Industry Long Service Payments Act 1974 commenced on 1 February 1975 and established a portable long service payments scheme for building and construction workers in New South Wales. Prior to 31 July 1982 the scheme was a division within the former Builders Licensing Board (now part of the Office of Fair Trading).

On 1 August 1982 the Building and Construction Industry Long Service Payments Amendment Act 1982 established the Corporation with all the assets and liabilities of the scheme. The statutory manager of the Corporation is the Chief Executive Officer of WorkCover NSW, to whom the management of the Corporation is accountable.

Before July 1986 the scheme was funded by a charge on employers. From July 1986, the Building and Construction Industry Long Service Payments Act 1986 provided that the funding would come from a levy on building and construction work. The levy is currently 0.2% on building and construction work costing $25,000 or more with most local councils acting as agents to collect the levy for the Corporation. The Corporation provides a service to some 231,000 registered active workers and more than 31,000 registered employers in building and construction work in NSW. Activities include the keeping of records of service of workers, the provision of long service benefits to workers and employers and the collection of levies on building work.

Organisation structure



Principal officers

Mr Jon Blackwell BA, MA
Chief Executive Officer, WorkCover NSW
Statutory Head of the Corporation

Mr Keith Napper BCom, CA
Director

Mr Brent Weiley
Assistant Director – Operations

Mr Robert Armstrong BSc
Assistant Director – Support

Corporate Plan 2004-08

Our Mission and Purpose

To deliver industry-based benefits

Our Vision

To provide cost effective and quality services

Our Values

Be Professional
Show Respect
Earn Trust
Be Honest
Be Fair

Our Objectives and Our Strategies

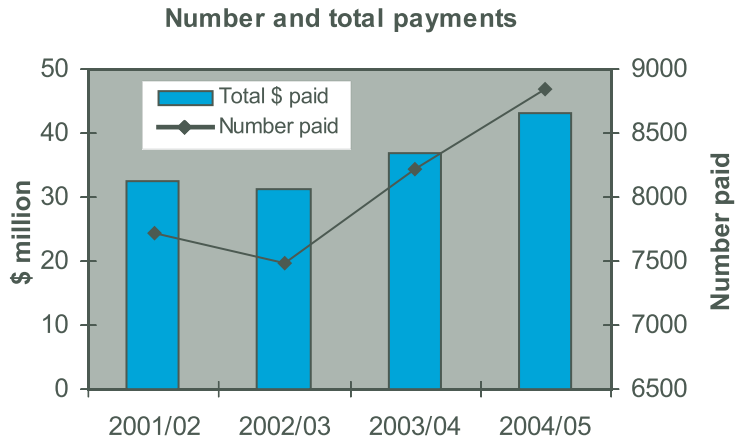
OBJECTIVE 1	**Intended beneficiaries receive their rights and entitlements.**	
	Strategies	• Provide accurate and consistent information services. • Conduct compliance programs for coverage and service accrual. • Conduct promotional activities within the industry.
OBJECTIVE 2	**Service delivery.**	
	Strategies	• Utilise contemporary technologies in service delivery and information management consistent with all legislation and Government policy. • Continuously improve efficiency of scheme administration.
OBJECTIVE 3	**Financial viability is maintained.**	
	Strategies	• Provide accurate and consistent information services for levy collections. • Conduct promotional activities in relation to levy collections. • Maintain consistency of investment objectives with fund liabilities. • Assess appropriateness of actuarial advice. • Maintain cost effective outsourced services.
OBJECTIVE 4	**Informed and trained staff.**	
	Strategies	• Address training and development needs. • Provide feedback on performance to workgroups and individuals. • Maintain appropriate organisational design.

Management achievements and performance

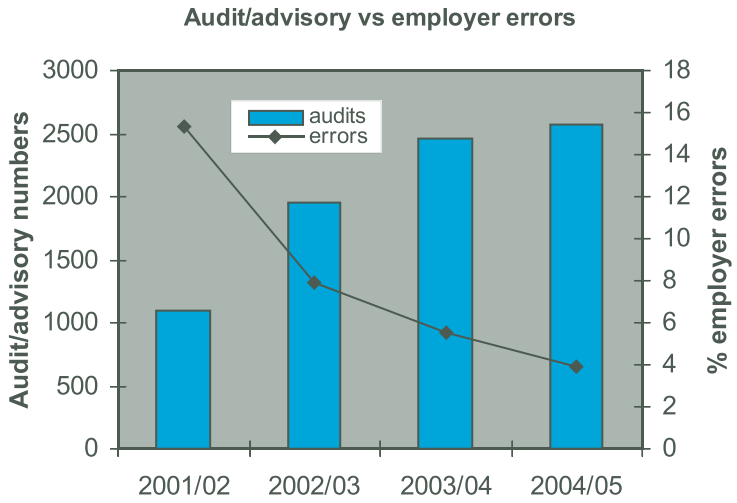
Objective 1

Intended beneficiaries receive their rights and entitlements

- During the year 8,850 long service payments were made totalling $43 million, both of which were record figures.



- Record numbers of audit, advisory and site visits were undertaken in 2004-05.
- Audits of employers were undertaken across the state, with one third of the audits occurring in rural and regional NSW.
- The number of errors detected during audits has been steadily falling in recent years and is now about 4% of all transactions examined.

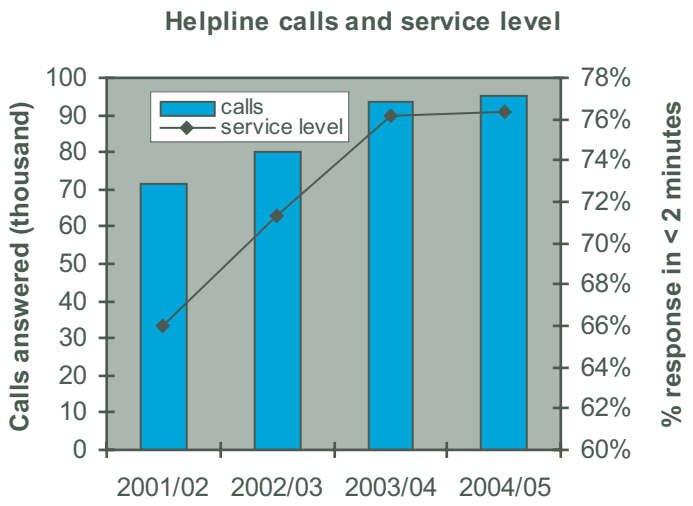


- Introduced an ongoing survey to regularly monitor feedback from employers on the quality and effectiveness of audit and advisory visits by Inspectors.
- Results from the survey of employers who had been audited showed that over 90% believed the audits were helpful in assisting them to meet their obligations and all employers felt the audits were conducted in a professional manner.
- Industry awareness programs have continued, with an emphasis on targeted literature and information sessions for apprentices at TAFE colleges.

Objective 2

Service delivery

- The Helpline continued to be promoted as the main channel for contact with the Corporation.
- Customer Service Officers answered 95,165 telephone Helpline enquiries, which was a record number.
- Helpline calls answered within two minutes were maintained at the highest ever level of 77%.



- The usage of the Corporation's internet site has increased at 80% per year.
- Introduced a new electronic service lodgement system for employers incorporating intelligent software to facilitate detection of inconsistencies and errors in data prior to submission to the Corporation.
- Sponsored market research by students of the University of Technology Sydney who investigated customer attitudes to existing communication activities. Overall, the results were positive, indicating that workers found scheme information material easily comprehensible and pitched at the right level. Employers strongly endorsed the Corporation's internet communication channels and supported further development.
- An electronic document/record management system was introduced initially for administrative and levy records. This will be extended for use with worker and employer records.

- A new imaging system has been introduced to record all incoming documents. This system utilises intelligent character recognition to facilitate data entry.
- Progressed the major project of replacing the Workers Registry System, currently about 20 years old, with a more contemporary system. Developers have been engaged and are undertaking the redevelopment.

Objective 3

Financial viability is maintained

- Annual actuarial reviews of the scheme have been initiated to determine the sufficiency of funds and adequacy of the levy rate.
- Electronic lodgement of Council levy returns has helped increase their accuracy and increased processing efficiencies.
- Investment income of $47.2 million was well above budget, earning a return of 12% per annum.
- Long service levy income of $34.8 million was more than the budgeted estimate.
- An extensive internal audit program has been maintained based on risk assessments.
- Computer infrastructure support, human resource management and legal services have continued to be outsourced and have been closely monitored. The computer infrastructure support agreement has been extensively reviewed and updated.

Objective 4

Informed and trained staff

- All front line staff and their supervisors undertook a tailored customer services training program, which covered topics such as telephone techniques, writing skills, dealing with customers face to face and dealing with difficult customers.
- Staff attended courses specific to their own development needs.
- A number of staff have been given study leave to undertake external studies.
- The staff structure in a number of areas was reviewed and enhancements implemented to facilitate the implementation of new initiatives.
- Regular staff meetings have occurred to ensure that all staff are aware of organisational performance and emerging issues.

Corporate priorities for 2005-06

- Complete the redevelopment of the computerised worker registry system including integration with other systems and the development of new procedures.

Comparison of major operational performance statistics

Activity and/or administrative function	2001-02	2002-03	2003-04	2004-05
Long service payments made to workers	7,724	7,487	8,224	**8,850**
Value of long service payments made	$32.4M	$31.3M	$36.5M	**$42.5M**
Cumulative number of payments since scheme began	89,974	97,461	105,685	**114,535**
Cumulative value of payments made since scheme began	$281.5M	$312.8M	$349.3M	**$392.3M**
Number of payments in conjunction with interstate schemes	363	320	343	**377**
New worker registrations approved	19,715	23,053	29,688	**29,678**
Number of workers excluding those identified for cancellation – see note 1	238,434	235,760	246,108	**230,977**
Workers identified for cancellation – see note 2	65,653	86,484	102,198	**115,458**
New employer registrations approved	2,825	2,965	3,351	**3,458**
Total number of registered employers	32,365	29,540	30,452	**31,685**
Employee Certificates of Service received	128,934	128,165	144,008	**156,537**
Self Employed Worker Certificates of Service received	32,116	34,252	37,438	**38,171**
Annual Statements of Recorded Service (SRS) issued	218,044	225,339	241,146	**260,491**
Requests to review service recorded in SRS	1,970	1,969	3,517	**3,010**
Employer advisory and audit visits made	1,097	1,958	2,453	**2,570**
TAFE talks to second year apprentices	235	261	718	**211**
Telephone 'Helpline' inquiries answered – see note 3	71,530	80,034	93,812	**95,165**
Written inquiries	7,928	7,909	7,279	**7,918**
Counter inquiries	2,116	2,178	2,105	**1,768**
Internet site usage (unique visitors)	7,325	7,896	18,113	**25,849**
Levy exemptions approved	1,473	1,135	1,109	**997**
Levy refunds approved	1,627	1,597	1,852	**1,740**
Levy payment by instalments approved	10	16	9	**12**
Total funds invested	$369.8M	$356.0M	$403.1M	**$432.9M**
Actuarial estimate of scheme liabilities	$358.4M	$363.2M	$393.6M	**$463.6M**
Investment income	($8.8M)	($6.5M)	$53.9M	**$47.3M**
Long service levy income	$29.6M	$33.7M	$38.0M	**$34.8M**
Net administration costs	$8.1M	$9.9M	$8.1M	**$9.5M**

Note
(1) The Corporation removed 27,528 workers from the register in 2004-05 who had taken 'leaving the industry' long service payments in earlier years.
(2) The number of workers identified for cancellation are cumulative since the last cancellation in 1994.
(3) An amendment has been made to Helpline inquiries statistics to reflect a more appropriate treatment of the data.

Financial performance – summary

Revenues and expenses

During the 2004-05 financial year, revenue from all sources amounted to $82.8m and expenditure amounted to $122.0m, resulting in an operating deficit of $39.2m. The budget for the year was an operating deficit of $15.0m resulting in a variance of $24.2m. This variance is mainly a result of the following net outcomes:

- The long service liability expense exceeded budget by $46.8m due to an increase in the scheme liability following a full actuarial investigation. This was due to increases in average long service rates of pay, which grew by 6.7 percent last financial year. This was significantly more than expected in previous actuarial assessments of scheme liabilities.
- Investments continued to be predominantly placed in the NSW Treasury Corporation Long Term Growth Facility. Investments provided a gain of $47.2m compared to a budgeted gain of $24.7m, an increase of $22.5m for the year.

Financial position

- The principal assets continue to be long-term investments of $430.9m and the principal liabilities are the estimates for the Provision of Scheme Liabilities that total $463.6m as assessed by actuarial consultants.
- Equity decreased by $39.2m from an retained surplus of $12.0m at 30 June 2004 to an accumulated loss of $27.2m as at 30 June 2005.

Capital expenses

The Corporation's capital budget of $1.667m was for the redesign and enhancement of the Corporation's computerised worker registry system, and other minor office equipment, computer equipment and motor vehicle purchases. The Corporation incurred expenditure on the following capital items during the financial year.

	Budget $'000	Actual $'000
Redevelopment of computerised worker registry system	$1,200	$120
Annual provisions	$467	$297
TOTAL CAPITAL EXPENSES	**$1,667**	**$417**

The redevelopment of the Corporation's computerised worker registry system was delayed and the majority of expenditure will now be incurred during 2005-06.

Actuarial review

As provided by Section 14 of the Building and Construction Industry Long Service Payments Act 1986, a full actuarial investigation was undertaken as at 30 June 2005 to determine the sufficiency of the fund and the adequacy of the long service levy.

The investigation was conducted by Professional Financial Solutions and concluded that there was a deficiency in the Fund of $27.2m. The actuaries have recommended an increase in the levy rate.

The Auditor General, in the statutory audit report on the financial statements also noted the deficiency in scheme liabilities. However, the value of vested benefits in the fund at 30 June 2005 was $417.8m, which is less than the value of scheme assets. As such, the Corporation has sufficient funds to meet benefits payable if all workers eligible for a claim made a claim.

Investments

The Corporation invested its funds in the 'Long Term Growth' and 'Cash' Hour-Glass Investment Facility Trusts administered by NSW Treasury Corporation (TCorp) utilising external managers under contract to TCorp.

The following table shows the movement in funds within facilities and indicates the rate of return compared with the benchmark return.

	Balance on hand as at		Corporation investment performance		Benchmark performance
	30.6.04	30.6.05	Income	Return	Return
Fund categories	$'000	$'000	$'000	%	%
Long term growth	399,718	430,921	47,202	12.06	13.08
Cash	3,358	2,028	95	5.59	5.64
TOTAL	**403,076**	**432,949**	**47,297**	**N/A**	**N/A**

Accounts payable performance

Aged analysis at end of each quarter

Payment	September 2004 Qtr	December 2004 Qtr	March 2005 Qtr	June 2005 Qtr
Current	$155,449	$452,793	$260,440	$206,171
Less than 30 days overdue	$0	$0	$0	$0
More than 30 days overdue	$0	$0	$0	$0
TOTAL ACCOUNTS PAYABLE	**$155,449**	**$452,793**	**$260,440**	**$206,171**

Accounts paid on time in each quarter

	September 2004 Qtr	December 2004 Qtr	March 2005 Qtr	June 2005 Qtr
Target % paid on time	95%	95%	95%	95%
Actual % paid on time	95%	98%	94%	95%
Total dollar amounts paid on time	$1,057,596	$1,111,114	$992,886	$1,719,554
Total dollar amounts paid	$1,093,294	$1,120,189	$1,030,831	$1,843,059
Total accounts paid on time	464	450	289	433
Total accounts paid	486	458	309	457

There have been no delays in account payments that have led to the payment of interest.

Budget forecast and results

	Budget 2004-05 $'000	Actual 2004-05 $'000	Budget 2005-06 $'000
REVENUES			
Investment income	24,800	47,297	28,900
Levy income	33,500	34,790	37,300
Other income	125	773	100
TOTAL REVENUES	**58,425**	**82,860**	**66,300**
OPERATING EXPENSES			
Long service payments	40,500	42,541	42,800
Long service payments liability expense	23,100	69,956	37,700
TOTAL OPERATING EXPENSES	**63,600**	**112,497**	**80,500**
OPERATING SURPLUS/(DEFICIT)	**(5,175)**	**(29,637)**	**(14,200)**
ADMINISTRATIVE EXPENSES			
Human resources			
Employee salaries	3,934	3,462	4,370
Employee superannuation charge	612	524	596
Employee salary related expenses	1,005	1,788	1,378
	5,551	**5,774**	**6,344**
Operations			
Depreciation of fixed assets	315	301	365
Printing	273	226	250
External audit fees	55	58	60
Long Service Levy commissions	1,000	794	912
General expenses	842	812	790
	2,485	**2,191**	**2,377**
Occupancy			
Rental	350	303	385
Associated occupancy expenses	244	281	298
	594	**584**	**683**
Computing			
Computer operations/maintenance	720	696	758
External computing services	190	142	60
	910	**838**	**818**
Marketing			
Marketing program expenses	**175**	**86**	**195**
Travel			
Travel expenses	**85**	**69**	**94**
TOTAL ADMINISTRATIVE EXPENSES	**9,800**	**9,542**	**10,511**
DEFICIT FOR YEAR	**(14,975)**	**(39,179)**	**(24,711)**

Note: These budget figures have not been audited

Darryl, bricklayer
Member since 1975

AUDITOR-GENERAL
NEW SOUTH WALES

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT

Building And Construction Industry Long Service Payments Corporation

To Members of the New South Wales Parliament

Qualified Audit Opinion

In my opinion, except for the effects on the financial report of the matter referred to in the qualification paragraph below, the financial report of the Building and Construction Industry Long Service Payments Corporation:

(a) presents fairly the Corporation's financial position as at 30 June 2005 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and

(b) complies with section 41B of the *Public Finance and Audit Act 1983* (the Act).

My opinion should be read in conjunction with the rest of this report.

Qualification

As in previous years, the Corporation, as disclosed in Note 1(e), has recognised the net movement on revaluation of the non-current investments in the Statement of Financial Performance. In my opinion, this accounting policy is a departure from Australian Accounting Standard AASB1041 "Revaluation of Non-Current Assets". This Standard requires the net increment on revaluation, amounting to $27.9 million for the year ($30.8 million in 2003-04), to be adjusted to an asset revaluation reserve. Had this been done, the result for the year would change from the operating deficit of $39.2 million ($17.0 million surplus in 2003-04) to an operating deficit of $67.1 million ($13.8 million deficit in 2003-04). Net assets would amount to the same under either policy.

My opinion on the financial report for the year ended 30 June 2004 was similarly qualified.

The Chief Executive Officer's Role

The financial report is the responsibility of the Chief Executive Officer of the WorkCover Authority of New South Wales. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Chief Executive Officer in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Chief Executive Officer had not fulfilled his reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Corporation,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.

R J Sendt
Auditor-General

SYDNEY
20 October 2005

BUILDING AND CONSTRUCTION INDUSTRY
LONG SERVICE PAYMENTS CORPORATION

FINANCIAL STATEMENTS

Pursuant to Section 41C (1B) and (1C) of the Public Finance and Audit Act 1983 we state that:

1. In our opinion the accompanying financial statements exhibit a true and fair view of the financial position of the Building and Construction Industry Long Service Payments Corporation as at 30 June 2005 and transactions for the year then ended;

2. The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and Regulation, Australian Accounting Standards, Consensus Views of the Urgent Issues Group, other mandatory professional reporting requirements and the Treasurer's Directions with the exception of the treatment of the long term investment returns (Non Current Asset) as disclosed in Note 1 of the accounts; and

3. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Keith Napper
Director
Building and Construction Industry
Long Service Payments Corporation
14 October 2005

Jon Blackwell
Chief Executive Officer
WorkCover NSW
14 October 2005

BUILDING AND CONSTRUCTION INDUSTRY LONG SERVICE PAYMENTS CORPORATION

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005

	Note	**2005 $'000**	2004 $'000
CURRENT ASSETS			
Cash	2	**1,893**	518
Receivables	3(a)	**2,204**	3,176
Other financial assets	4(a)	**2,028**	3,358
TOTAL CURRENT ASSETS		**6,125**	7,052
NON-CURRENT ASSETS			
Receivables	3(b)	**1,221**	512
Other financial assets	4(b)	**430,921**	399,718
Property, plant and equipment	5	**1,306**	1,217
TOTAL NON-CURRENT ASSETS		**433,448**	401,447
TOTAL ASSETS		**439,573**	408,499
CURRENT LIABILITIES			
Payables	6	**702**	748
Provision for employee benefits	7(a)	**426**	386
Provision for scheme liabilities	8(a)	**43,500**	40,500
TOTAL CURRENT LIABILITIES		**44,628**	41,634
NON-CURRENT LIABILITIES			
Provision for employee benefits	7(b)	**2,094**	1,791
Provision for scheme liabilities	8(b)	**420,056**	353,100
TOTAL NON-CURRENT LIABILITIES		**422,150**	354,891
TOTAL LIABILITIES		**466,778**	396,525
NET (LIABILITIES)/ASSETS		**(27,205)**	11,974
EQUITY			
(Accumulated loss)/Retained surplus		**(27,205)**	11,974
TOTAL EQUITY	9	**(27,205)**	11,974

The accompanying notes form an integral part of these financial statements.

BUILDING AND CONSTRUCTION INDUSTRY LONG SERVICE PAYMENTS CORPORATION

STATEMENT OF FINANCIAL PERFORMANCE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	Note	**2005 $'000**	2004 $'000
REVENUES FROM ORDINARY ACTIVITIES			
Investment income	10	**47,297**	53,881
Long service levy	11	**34,790**	38,016
Other revenue	12	**773**	99
TOTAL REVENUE FROM ORDINARY ACTIVITIES		**82,860**	91,996
EXPENDITURE FROM ORDINARY ACTIVITIES			
Long service payments	13	**42,541**	36,454
Long service payments liability expense	8(c)	**69,956**	30,400
Employee related expenses	14	**5,773**	4,299
Operating expenses	15	**3,467**	3,532
Depreciation	5	**302**	310
TOTAL EXPENDITURE FROM ORDINARY ACTIVITIES		**122,039**	74,995
(DEFICIT)/SURPLUS FOR THE YEAR		**(39,179)**	17,001
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		**0**	0
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		**(39,179)**	17,001

The accompanying notes form an integral part of these financial statements.

BUILDING AND CONSTRUCTION INDUSTRY
LONG SERVICE PAYMENTS CORPORATION

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	Note	**2005 $'000**	2004 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Long service levy receipts		**35,729**	37,566
Interest receipts		**144**	162
Other receipts		**515**	537
Long service scheme payments		**(42,585)**	(36,625)
Payments to suppliers and employees		**(9,374)**	(8,905)
Net cash used in operating activities	16	**(15,571)**	(7,265)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		**16,000**	8,000
Proceeds from disposal of plant and equipment		**33**	95
Purchase of plant and equipment		**(417)**	(207)
Net cash provided by investing activities		**15,616**	7,888
NET INCREASE/(DECREASE) IN CASH HELD		**45**	623
Opening cash and cash equivalents		**3,876**	3,253
CLOSING CASH AND CASH EQUIVALENTS	17	**3,921**	3,876

The accompanying notes form an integral part of these financial statements.

1 Statement of accounting policies

(a) The reporting entity

The Building and Construction Industry Long Service Payments Corporation (Corporation) has its principal office at the corner of Donnison and Baker Streets, Gosford 2250. The Corporation was established in 1982 and administers the Building and Construction Industry Long Service Payments Act 1986 which provides a portable long service payments scheme to building and construction workers in NSW.

(b) Basis of accounting

The Corporation's financial statements are a general-purpose financial report, which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- Urgent Issues Group (UIG) Consensus Views; and
- the requirements of the *Public Finance and Audit Act* and Regulation.

In the absence of a specific Accounting Standard, other authoritative pronouncements of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS6 'Accounting Policies' is considered.

Except for certain investments, which are recorded at valuation, the financial statements are prepared in accordance with the historical cost convention.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency. The accounting policies adopted in preparing the financial statements are consistent with those of the previous year.

(c) Going concern

The going concern basis has been applied in the preparation of this financial report even though the Corporation has a negative equity position at 30 June 2005 due to significant increases in the actuarial valuation of scheme liabilities over the preceding two financial years.

The Corporation has adopted the going concern basis because, over the foreseeable future, it has adequate resources to pay its debts as and when they become payable, and should circumstances require a reassessment of the long-term financial position, the Government has the ability to vary the levy rate, and therefore income streams.

In view of the above, the Corporation has reasonable grounds to believe that it will realise its assets and extinguish its liabilities in the normal course of business at amounts stated in the financial report.

(d) Impact of adopting Australian Equivalents to International Financial Reporting Standards (AEIFRS)

The Corporation will apply the Australian Equivalents to International Financial Reporting Standards (AEIFRS) from 2005-06.

The Corporation undertook a scope and impact assessment to identify key areas of impact in the transition to AEIFRS and where necessary amended systems, policies and procedures. The Corporation believes its systems, policies and procedures are ready for the transition to AEIFRS.

The Corporation has determined the key areas where changes in accounting policies are likely to impact the financial report. Some of these impacts arise because AEIFRS requirements are different from existing AASB requirements (AGAAP). Other impacts are likely to arise from options in AEIFRS. To ensure consistency at the whole of government level, NSW Treasury has advised agencies of options it is likely to mandate for the NSW Public Sector. The impacts disclosed below reflect Treasury's likely mandates (referred to as "indicative mandates").

Shown below are management's best estimates as at the date of preparing the 30 June 2005 financial report of the estimated financial impacts of AEIFRS on the Corporation's equity and profit/loss. The Corporation does not anticipate any material impacts on its cash flows. The actual effects of the transition may differ from the estimated figures below because of pending changes to the AEIFRS, including the UIG Interpretations and/or

emerging accepted practice in their interpretation and application. The Corporation's accounting policies may also be affected by a proposed standard to harmonise accounting standards with Government Finance Statistics (GFS). However, the impact is uncertain because it depends on when this standard is finalised and whether it can be adopted in 2005-06.

(i) Reconciliation of key aggregates

Reconciliation of equity under existing Standards (AGAAP) to equity under AEIFRS:

	Notes	**30 June 2005 $'000**	1 July 2004 $'000
Total equity under AGAAP		**(27,205)**	11,974
Defined benefit superannuation adjustment for change in discount rate	1	**(2,457)**	(1,253)
Scheme liability adjustment for change in discount rate	2	**(15,291)**	(7,283)
Total equity under AEIFRS		**(44,953)**	3,438

Reconciliation of deficit under AGAAP to deficit under AEIFRS:

Year ended 30 June 2005	Notes	$'000
Deficit under AGAAP		(39,179)
Defined benefit superannuation	1	(1,204)
Long service payment liability expense	2	(8,008)
Deficit under AEIRFS		**(48,391)**

Notes to tables above

1. AASB119 Employee Benefits requires the defined benefit superannuation obligation to be discounted using the government bond rate as at each reporting date, rather than the long-term expected rate of return of the plan assets. This will increase the defined benefit superannuation liability (or decrease the asset in an over-funded situation) and change the quantum of the superannuation expense.

2. AASB137 Provisions, Contingent Liabilities and Contingent Assets requires the Scheme's liability to be discounted at a rate that reflects current market assessment of the time value of money and the risks specific to the liability, rather than the rate of return on the Scheme assets. This will increase the Scheme liability and change the quantum of the long service payment liability expense.

(ii) Financial instruments

In accordance with NSW Treasury's indicative mandates, the Corporation will apply the exemption provided in AASB1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards not to apply the requirements of AASB132 Financial Instruments: Presentation and Disclosures and AASB139 Financial Instruments: Recognition and Measurement for the financial year ended 30 June 2005.

These Standards will apply from 1 July 2005. None of the information provided above includes any impacts for financial instruments. However, when these Standards are applied, they are likely to impact on retained earnings (on first adoption) and the amount and volatility of profit/loss. Further, the impact of these Standards will in part depend on whether the fair value option can or will be mandated consistent with Government Finance Statistics.

(e) Other financial assets

The New South Wales Treasury Corporation (TCorp) administers the Corporation's investment funds through its Hour-Glass Investment Facility Unit Trusts. Investment income comprises interest and changes in the value of the investments.

Changes in the net market value of non-current investments, since the beginning of the financial year, are brought to account in the Statement of Financial Performance. This is a departure from Australian Accounting Standard AASB1041 "Revaluation of Non-Current Assets". AASB1041 requires the net increment (decrement) on revaluation of non-current assets to be directly credited (debited) to an asset revaluation reserve. However, the Corporation considers its functions to be similar to that of superannuation entities. AAS25 "Financial Reporting By Superannuation Plans" requires superannuation entities to include changes of a plan's net market value, during the reporting period, as a part of that period's revenue.

(f) Property, plant and equipment

The cost method of accounting is used for the initial recording of all acquisitions of assets. Cost is determined as the fair value of the assets given as consideration plus the costs incidental to the acquisition. Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction. Physical assets, which have a purchase value of $5,000 or higher and provide a future benefit (greater than two years useful life) are capitalised.

(g) Depreciation

Fixed assets are depreciated on a straight-line basis over the estimated useful life of the asset. Motor vehicles, plant and equipment are depreciated over 5 years and computer equipment is depreciated over 3 years. The Corporation's leasehold improvements, when constructed, are considered to have a useful life equivalent to the un-expired period of the lease.

(h) Leases

The Corporation is not a party to any finance lease. Existing operating leases relate to leasing premises at the corner of Donnison and Baker Streets, Gosford, and 12 Railway Street, Lidcombe. Operating lease payments are expensed in the periods in which they are incurred.

(i) Payables and receivables

Trade payables are recognised when the Corporation becomes obliged to make future payments as a result of a purchase of assets or services. Trade payables are generally settled within 30 days.

The Corporation does not have trade receivables. Long service levy receivables are carried at amounts due. A provision is raised for any doubtful debts based on a review of all outstanding amounts at balance date. Bad debts are written off in the period in which they are identified. The credit risk is the carrying amount net of any provision for doubtful debts.

(j) Employee benefits

(i) Salaries, wages, annual leave, sick leave and on costs

Liabilities for salaries, wages and annual leave are recognised and measured in respect of employees' services up to the reporting date at nominal amounts based on the amounts expected to be paid when the liabilities are settled. Unused non-vesting sick leave does not give rise to a liability, as it is not considered probable that sick leave taken in the future will be greater than the entitlements accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

(ii) Long service leave

Long service leave is measured on a short hand basis. The short hand method is based on the remuneration rates at year-end for all employees with five or more years of service. It is considered that this measurement technique produces results not materially different from the estimate determined by the present value basis of measurement.

(k) Superannuation

The Corporation assumes the liability for superannuation and makes contributions to the SAS Trustee Corporation for the First State Superannuation (FSS), the State Superannuation Scheme (SSS), the State Authorities Superannuation Scheme (SASS) and the State Authorities Non-Contributory Superannuation Scheme (SANCS). The Gross Superannuation Liabilities for the defined benefit schemes were assessed by the schemes actuary, Mercer at the end of the financial year. The prepaid superannuation contributions and unfunded superannuation liability are separately classified as an asset and a liability.

(l) Long service levy

The long service levy rate is 0.2% of the cost of building and construction work costing $25,000 or more. The Corporation has arrangements with local government councils to act as agents for the collection of the long service levy in return for a commission.

(m) Revenue recognition

Revenue is recognised when the Corporation has control of the good or the right to receive it, and it is probable that the economic benefits will flow to the Corporation and the amount of revenue can be measured reliably.

Operating revenue represents revenue from long service levy income and investment income, which are recognised as they accrue.

Revenue from outside operating activities includes:

- profit/(loss) on disposal of plant and equipment that is brought to account on sale of the asset;
- interest, superannuation unfunded liability adjustment and other miscellaneous income which are recognised as they accrue.

(n) Financial instruments

The Corporation has complied with the requirements of AAS33 "Presentation and Disclosure of Financial Instruments".

Net fair values of financial instruments were determined on the following bases:

Monetary financial assets and liabilities not traded in an organised financial market

- cost basis carrying amounts of trade accounts payables, receivables and accruals that approximate the net market value;

Investments with TCorp

- net market value. TCorp calculates the value of investments daily at the market value after deduction of all costs, fees, commissions and expenses of management, as determined by TCorp.

(o) Accounting for Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where:

- the amount of GST incurred by the Corporation as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- receivables and payables are stated with the amount of GST included; and
- the GST component of cash flows arising from investing and financing activities that is recoverable from, or payable to, the ATO is classified as operating cash flows.

	2005 $'000	2004 $'000
2 Cash		
Cash at bank and on hand	**1,893**	518
3 Receivables		
(a) Current		
Long service levy	**1,985**	2,924
Prepayments	**56**	100
Interest	**4**	10
Other	**159**	142
Less: provision for doubtful debts	**-**	-
	2,204	3,176
(b) Non-current		
Prepaid superannuation contributions	**1,221**	512
	3,425	3,688

4 Other financial assets

Investments

The Corporation has investments in TCorp's Hour-Glass Investment Facility Trusts that are represented by a number of units in managed investments within the facility trusts. Each facility trust has different investment horizons and comprises a mix of asset classes appropriate to that investment horizon. TCorp appoints and monitors fund managers and establishes and monitors the application of appropriate investment guidelines. The Corporation's investments are:

	2005 $'000	2004 $'000
(a) Current		
Cash facility trust	**2,028**	3,358
(b) Non-current		
Long term growth facility trust	**430,921**	399,718
	432,949	403,076

These investments can generally be redeemed with up to five business days notice (dependent upon the facility trust). The value of the investments held can decrease as well as increase depending upon market conditions. The value that best represents the maximum credit risk exposure is the net market value. The value of the above investments represents the Corporation's share of the value of the underlying assets of the facility trusts and is stated at net fair value.

5 Property, plant and equipment

Plant and equipment at fair value	**2,182**	2,157
Less accumulated depreciation	**(876)**	(940)
	1,306	1,217

	Plant and equipment $'000	**Leasehold improvements $'000**	**Computer equipment $'000**	**Motor vehicles $'000**	**Total $'000**
30 June 2005					
Carrying amount at start of financial year	**353**	**641**	**75**	**148**	**1,217**
Additions	**-**	**-**	**371**	**46**	**417**
Disposals	**-**	**-**	**-**	**(45)**	**(45)**
Transfer/(Adjustments for disposals)	**-**	**-**	**-**	**19**	**19**
Depreciation	**(109)**	**(115)**	**(41)**	**(37)**	**(302)**
Carrying amount at end of financial year	**244**	**526**	**405**	**131**	**1,306**
Note: As at 30 June 2005, $120,000 is included in computer equipment for work in progress on the re-development of the Worker System.					
30 June 2004					
Carrying amount at start of financial year	446	783	42	117	1,388
Additions	13	1	58	135	207
Disposals	-	-	(25)	(132)	(157)
Transfer/(Adjustments for disposals)	-	-	25	64	89
Depreciation	(106)	(143)	(25)	(36)	(310)
Carrying amount at end of financial year	353	641	75	148	1,217

	2005 $'000	2004 $'000

6 Payables

Long service payments	**130**	180
Long service levy commissions	**77**	124
Accrued salaries and wages	**-**	118
Administrative expenses	**495**	326
	702	748

7 Provision for employee benefits

(a) Current

Recreation leave	**341**	317
Long service leave	**85**	69
	426	386

(b) Non-current

Long service leave	**1,707**	1,408
Employer superannuation contributions	**387**	383
	2,094	1,791

Aggregate employee benefits and related on-costs

Provisions – current	**426**	386
Provisions – non-current	**2,094**	1,791
Accrued salaries and wages	**-**	118
	2,520	2,295

Unfunded Superannuation Liability/Prepaid Superannuation Contributions Statement 30 June 2005:

Funding position	SASS $	SANCS $	SSS $
Accrued liability as at 30 June 2005	(1,023,054)	(574,438)	(5,605,867)
Less: Estimated Reserve account balance at 30 June 2005	994,871	215,200	6,826,799
Surplus/(Deficiency) at 30 June 2005	(28,183)	(359,238)	1,220,932

The Gross Superannuation Liabilities were actuarially determined (refer note 1(k)). The financial assumptions that have been applied for the calculations as at 30 June 2005 are: discount rate 7.0% pa, rate of salary increase 4.0% pa and rate of CPI increase 2.5% pa.

8 Provision for scheme liabilities

(a) Current	**43,500**	40,500
(b) Non-current	**420,056**	353,100
	463,556	393,600
Balance at the beginning of the financial year	**393,600**	363,200
Balance at the end of the financial year	**463,556**	393,600
(c) Long service payments liability expense	**69,956**	30,400

The Building and Construction Industry Long Service Payments Act, 1986, under Section 14 requires that an actuarial investigation be undertaken to determine the sufficiency of the Fund and the adequacy of the long service levy rate at intervals of not more than three years.

The last full actuarial investigation was undertaken as at 30 June 2005 by Professional Financial Solutions, with the actuarial findings included in the above figures.
For the purpose of that valuation the following number of workers were valued:

Inactive for 4 or more years	6,612
Inactive for 2-3 years	39,049
Active in last 2 years	160,497
Total number of workers considered	206,158

The financial assumptions used in the actuarial valuation were: rate of increase in wage rates 4.5% and rate of investment return 7.0%.

The increase in the liability expense is a result of increases in wage rates, service credits and actuarial updates following the last triennial review.

Apportionment of the scheme liability into current and non current is on the basis of the budget for the year with respect to long service payments. The budget is arrived at by taking into consideration factors that affect the amount paid to eligible members and the probability of the eligible members claiming. Such factors include proposed wage rises in the building and construction industry, forecasts on the state of the economy and prior year trends.

	2005 $'000	2004 $'000

9 Equity

Retained surplus/(Accumulated loss) at the beginning of the financial year	**11,974**	(5,027)
(Deficit)/Surplus for the year	**(39,179)**	17,001
(Accumulated loss)/Retained surplus at the end of the financial year	**(27,205)**	11,974

10 Investment income

Cash facility trust	**95**	104
Long term growth facility trust	**47,202**	53,777
	47,297	53,881

11 Long service levy

Long service levy	**35,477**	38,928
Long service levy refunds	**(687)**	(912)
	34,790	38,016

12 Other revenue

Interest	**43**	62
Profit on disposal of plant and equipment	**7**	28
Superannuation unfunded liability adjustment	**723**	-
Miscellaneous income	**-**	9
	773	99

	2005 $'000	2004 $'000

13 Long service payments

Workers	**39,158**	33,453
Employers	**1,865**	1,695
Medical incapacity	**974**	762
Deceased	**544**	544
	42,541	36,454

14 Employee related expenses

Salaries including recreation leave	**3,524**	3,308
Long service leave	**337**	137
Superannuation	**524**	15
Payroll tax and fringe benefits tax	**217**	190
Temporary assistance	**1,066**	581
Other employee-related expenses	**105**	68
	5,773	4,299

The average number of "equivalent full time employees" during the financial year was 67.0.

Superannuation expense	**507**	461
Superannuation liability expense adjustment	**17**	(446)
	524	15

15 Operating expenses

Computing	**838**	816
Marketing	**86**	119
Travel	**69**	67
Occupancy	**584**	595
Long service levy commissions	**794**	947
Consultancy	**47**	18
Audit remuneration – audit of financial report	**58**	54
Services agreement	**185**	185
Other administrative expenses	**806**	731
	3,467	3,532

16 Net cash flows from operating activities

Reconciliation of net cash used in operating activities to operating result:

Operating result	**(39,179)**	17,001
Plus/(minus) non-cash items:		
Depreciation	**302**	310
Investment income	**(47,202)**	(53,777)
Superannuation liability adjustment	**(706)**	(446)
Long service payments liability expense	**69,956**	30,400
Net (profit)/loss on disposal of plant and equipment	**(7)**	(28)
Change in asset and liabilities:		
(Increase)/decrease in receivables	**972**	(305)
Increase/(decrease) in payables	**(46)**	(565)
Increase/(decrease) in provisions	**339**	145
Net cash used in operating activities	**(15,571)**	(7,265)

	2005 $'000	2004 $'000

17 Closing cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash includes cash assets and current investments in other financial assets. Cash assets and other financial assets recognised in the Statement of Financial Position are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

Statement of financial position		
Cash assets	**1,893**	518
Other financial assets	**2,028**	3,358
Statement of cash flows	**3,921**	3,876

18 Commitments

(a) Total operating lease commitments which have not been recognised in the financial statements:

Not later than one year	**499**	474
Later than one year and not later than 5 years	**2,082**	1,810
More than 5 years	**1,109**	1,357
Total (including GST)	**3,690**	3,641

The total operating lease commitments above include input tax credits of $335,000 that are expected to be recoverable from the ATO.

(b) Total operating expenditure commitments which have not been recognised in the financial statements:

Not later than one year	**294**	307
Later than one year and not later than 5 years	**-**	203
Total (including GST)	**294**	510

The total operating expenditure commitments above include input tax credits of $27,000 that are expected to be recoverable from the ATO.

(c) Total capital expenditure commitments which have not been recognised in the financial statements:

Not later than one year	**743**	-
Total (including GST)	**743**	-

The total capital expenditure commitments above include input tax credits of $68,000 that are expected to be recoverable from the ATO.

19 Financial instruments

(a) Interest rate risk

The Corporation's exposure to interest rate risks and the effective interest rates on financial instruments were:

30 June 2005	Floating interest rate $'000	Non-interest bearing $'000	Total carrying amount $'000	Weighted average effective interest rate %
Financial assets				
Cash assets	**1,893**	**-**	**1,893**	**4.92**
Receivables	**-**	**2,148**	**2,148**	**N/A**
Other financial assets	**432,949**	**-**	**432,949**	**12.06**
Total financial assets	**434,842**	**2,148**	**436,990**	
Financial liabilities				
Payables	**-**	**702**	**702**	**N/A**
Total financial liabilities	**-**	**702**	**702**	

30 June 2004				
Financial assets				
Cash assets	518	-	518	4.69
Receivables	-	3,076	3,076	N/A
Other financial assets	403,076	-	403,076	15.37
Total financial assets	403,594	3,076	406,670	
Financial liabilities				
Payables	-	630	630	N/A
Total financial liabilities	-	630	630	

(b) Credit risk

The Corporation's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the Statement of Financial Position.

30 June 2005	Governments $'000	Banks $'000	Other $'000	Total $'000
Financial assets				
Cash assets	**-**	**1,893**	**-**	**1,893**
Receivables	**-**	**-**	**2,148**	**2,148**
Other financial assets	**432,949**	**-**	**-**	**432,949**
Total financial assets	**432,949**	**1,893**	**2,148**	**436,990**
30 June 2004				
Financial assets				
Cash assets	-	518	-	518
Receivables	-	-	3,076	3,076
Other financial assets	403,076	-	-	403,076
Total financial assets	403,076	518	3,076	406,670

(c) Net fair value

All financial instruments of the Corporation are carried at net fair value (refer note 1(n)).

20 Contingent liabilities

The Corporation was not aware of any contingent liabilities as at the end of the financial year.

21 After balance date events

The Corporation is not aware of any events that have occurred after balance date which are of such significance that they need to be disclosed or recognised in the financial report.

END OF AUDITED FINANCIAL STATEMENTS

John, plumber
Member since 1975

The Building and Construction Industry
Long Service Payments Committee

The Building and Construction Industry Long Service Payments Committee (Industry Committee)

The Industry Committee is constituted under the Building and Construction Industry Long Service Payments Act 1986. It is an advisory and appellate body and consists of ten part-time members appointed by the Minister and is chaired by the Chief Executive Officer of WorkCover NSW. The Industry Committee is empowered under Section 9 of the Act to advise the Corporation on administration of the Act, including matters concerning publicity, the investment of funds and the rate of the long service levy.

The Industry Committee decides appeals lodged against Corporation decisions to:

- reject an application for registration in the scheme made on behalf of or by workers;
- cancel registrations of workers in the scheme;
- refuse service credits to registered workers.

The Industry Committee also decides appeals lodged by levy payers in respect of:

- an assessment made of the amount of a long service levy due in respect of the erection of a building;
- a direction given, or refusal to give such direction, in relation to interest payable on a long service levy not paid before the due date, or extension of time for payment of a long service levy.

Apart from its legislated functions the Committee also acts as 'Customer Council' in relation to customer service standards and helps to ensure that the quality and effectiveness of services meet customers' needs.

The term of the current Industry Committee is from 1 August 2002 to 31 July 2005. During 2004-05 the Industry Committee met on two occasions.

During the year the Committee reviewed proposals from the Corporation for improvements in scheme administration for consideration by the Minister and potential future legislative change.

Appeals

Sections 49-54 of the Act empowers the Industry Committee to determine appeals lodged by workers, employers and levy payers in respect of certain Corporation decisions. Appeals are considered and determined on the basis of documentary evidence submitted by the parties involved.

There were no appeals lodged by levy payers in the year but 4 worker appeals were considered and determined as shown in the table. The Corporation did not carry out registration cancellations for workers where there are no records of service for at least four consecutive years, consequently there were no appeals in respect of such workers.

Results of appeals

Appeal against	Upheld		Dismissed	
	03-04	04-05	03-04	04-05
Rejected application for registration	2	0	2	0
Refusal of service credits	1	1	1	3
Total	3	1	3	3

Chairperson

Mr Jon Blackwell BA, MA
Chief Executive Officer, WorkCover NSW
Attended 2 meetings

Members

Members nominated by the Unions NSW

Mr Andrew Ferguson BEc, MEc, Dip Ind Law, Dip Urban Studies
NSW General Secretary, CFMEU
NSW Secretary, CFMEU (Construction and General Division) NSW Branch
Director, Australian Construction Industry Redundancy Trust
Director, COMET Training
Director, MEND Rehabilitation
Director, BWAC Employment
Member, WorkCover NSW, Construction Industry Reference Group
Member, Construction Industry Consultative Committee
Executive Member, Unions NSW
Member, WorkCover NSW Occupational Health & Safety Council
Attended no meetings, Deputy Member Keryn McWhinney attended in place of the Member

Mr Russ Collison
State Secretary, AWU NSW
Board of First State Super Corporation
Vice President, Unions NSW
Attended no meetings, Deputy Member Warren Baker attended 1 meeting in place of the Member

Mr Michael Doust
Organiser, Electrical Trades Union
Attended 2 meetings

Members nominated jointly by the Master Builders' Association of NSW and Employers First

Mr Brian Seidler B Build.
Executive Director, Master Builders' Association of NSW
MBA Representative, Workplace Relations Consultative Council
MBA of NSW Representative, Building Awards Conciliation Committees
MBA of NSW Representative, Building Apprenticeship Conciliation/Training Committees
MBA of NSW Representative, Construction Industry Training Advisory Board (NSW)
Committee Member, Construction Policy Steering Committee
Committee Member, Construction Industry Consultative Committee
Director, Australian Construction Industry Redundancy Trust
Director, COMET Training
Director, MEND Rehabilitation
Committee Member, Building & Construction Industry Drug & Alcohol Foundation
Participant, Australian Traineeship System Working Party
Director, Building Workers' Assistance Centre
Attended 2 meetings

Mr Mervyn Warner Dip Personnel Admin
Personnel and Industrial Relations Consultant
Member of MBA of NSW
Member, Safety Field Day Steering Committee
Member, Industrial Relations Society of NSW
Attended 2 meetings

Mr Peter Ryan BBus Econ
Divisional Manager – Construction and Special Projects, Employers First
Member, WorkCover NSW Construction Industry Reference Group
Member, WorkCover NSW Mining Industry Reference Group
Attended 2 meetings

Members directly appointed by the Minister

Mr John Robertson GradDip Employment Relations/Industrial Law (UTS)
Secretary, Unions NSW
Director, Labor Media
Director, Labor Campaign
Director, Getonboard
Director, WorkCover NSW
Trust Member, Parramatta Stadium Trust
Board Member of:
- North South West Co-operative Housing Society Group Ltd
- Homeseekers Co-operative Housing Society
- City Central Co-operative Housing Society
- Macquarie Co-operative Housing Society
- NSW Co-operative Housing Society
- Combined Unions Co-operative Housing Society

Attended no meetings, Deputy Member Chris Christodoulou attended in place of the Member.

Mr Doug Wright AM BEc, BA
Representational and Special Services, Australian Industry Group
Director, Hunter Valley Training Company Ltd
Director, WorkCover NSW
Member, ANTA National Training Quality Council
Chairman, Manufacturing, Engineering and Related Services: Industry Training Advisory Body
Member, NSW Vocational Education and Training Accreditation Board
Member, TAFE Commission Board
Member, Commonwealth Study Conference Executive Committee
Member, Plan-It-Youth Mentoring Program, State Reference Group
Attended 2 meetings

Ms Elizabeth Crouch BEc
Executive Director, NSW Housing Industry Association
Member, Home Building Advisory Council
Member, Fair Trading Advisory Council
Member, Macquarie University Council
Member, Finance Committee, Macquarie University
Member, Audit and Risk Committee, Macquarie University
Member, National Association Women In Construction
Chair, NSW Police Service Reward Advisory Committee
Attended 2 meetings

Mr Brian Beer
State President, Australian Manufacturing Workers Union (Retired)
Member, Australian Government Central Trades Committee
Member, Australian Government NSW Local Trades Committee
Independent Chairperson, NSW Dept Primary Industries Estuary Prawn Trawl Management Advisory Committee
Independent Chairperson, NSW Dept Primary Industries Estuary General Management Advisory Committee
Independent Chairperson, NSW Dept Primary Industries Marine & Estuarine Recreation Charter Management Advisory Committee
Attended 2 meetings

Deputy Members

Deputy members nominated by the Unions NSW

Ms Keryn McWhinney Dip Ind Law
Senior Wage Claims Officer, CFMEU (Construction & General Division) NSW Branch
Representative Member, National Association Women In Construction
Member, Vocational Training Tribunal of NSW
Member, Vocational Training Appeal Panel
Attended 2 meetings in place of Member Andrew Ferguson

Mr Warren Baker
State Organiser, Australian Workers' Union
Member, Mines Safety Council
Member, Metalliferous Consultative Committee
Member, Mining Industry Training Advisory Board
Member, Rail Infrastructure Corporation Consultative Committee
Member, WorkCover Mining Industry Reference Group
Attended 1 meeting in place of Member Russ Collison

Mr Steve McCarney
State Secretary CEPU Plumbing Division NSW Branch
Was not required to attend any meetings

Deputy members nominated jointly by the Master Builders' Association of NSW and Employers First

Mr Peter Slattery Master of Business (Employment Relations)
Employee Relations Manager, NSW Building Group, Barclay Mowlem Construction Ltd.
Was not required to attend any meetings

Mr John Elder BBus, MIR (Hons)
Was not required to attend any meetings

Deputy members directly appointed by the Minister

Mr Christopher Christodoulou BA Ind Rel
Deputy Assistant Secretary, Unions NSW
Member, Wollongong Sportsground Trust
Member, Correction Industry Advisory Council
Member, Sydney Olympic Park Board
Attended 2 meetings in place of Member John Robertson

Ms Catherine Brokenborough BA Dip Ed, Carpentry and Joinery
Environmental Health and Safety/Industrial Relations Co-ordinator, Bovis Lend Lease
Was not required to attend any meetings

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Brian, plumber and sprinkler fitter
Member since 1975

Appendix 1

Service standards

Our commitment to customer service

The Corporation's aims are to:

- provide accurate and helpful advice on the scheme;
- pay benefits accurately and promptly;
- assist workers in maintaining accurate records of their service in the building and construction industry and in maximising their entitlements;
- provide a high level of responsiveness to customer needs that is courteous, consistent, reliable, informative, timely and objective;
- increase awareness of the scheme amongst customers and workers in the building and construction industry who may be eligible for membership in the scheme;
- fund long service payments by the collection of a levy on building work in New South Wales.

The Corporation provides a telephone 'HELPLINE' which customers may contact for information on any aspect of the scheme by phoning 13 14 41 for the cost of a local call. Normal plan rates apply for mobile phone calls.

The levels of service that customers can normally expect are shown in the following tables.

SERVICE PROVIDED	LEVEL OF SERVICE
Scheme benefits	
Benefit enquiries	Advice of calculated long service payment amount will be posted within 2 working days.
Payment of benefits	Will be processed within 10 working days.
Inquiries	
Telephone or personal inquiries regarding general or specific matters	Advice will be provided immediately.
Response to written inquiries	Either a written response or acknowledgement of receipt of the inquiry will be posted within 10 working days. Where an inquiry cannot be answered within 10 working days, the inquirer will subsequently be kept advised of the progress of investigations until finalised.
Scheme members records	
Objection to accuracy of records	Where a worker lodges an objection to the accuracy of their record, an acknowledgement will be posted within 10 working days. Objections where eligibility and performance of service are uncomplicated will be resolved within 30 days. Complicated matters will be resolved no later than the issue of the next due *Annual Statement of Recorded Service*.
Annual Statement of Recorded Service	All registered workers will be posted an *Annual Statement of Recorded Service* by 30 November each year or as required by the legislation.
Scheme registrations	
Applications for worker registration	Decision on eligibility for membership will be posted within 10 working days of receipt of application with all required information. Where eligibility is complicated by information limitations membership will be resolved within 30 days.
Applications for employer membership	Decision on eligibility for membership will be posted within 10 working days of receipt of application with all required information. Where eligibility is complicated by information limitations membership will be resolved within 30 days. Employers will be issued with an employer information kit within 10 working days of registration being accepted.

SERVICE PROVIDED	LEVEL OF SERVICE
Other services	
Inquiries in respect of financial matters concerning payment of accounts, claims and related matters	Processed within 5 working days.
Turnaround of administrative payments on commercial terms	Processed in accordance with supplier trade terms.
Levy collection	
Response to written inquiries	Written response will be posted within 10 working days.
Partial exemptions from payment of levies eg owner builders	Applications will be processed within 3 working days.
Refunds of levies	Will be processed within 10 working days where the monies have been received by the Corporation.

The Corporation regards comments from customers as a valuable means of helping to identify additional potential services and to ensure that existing services are maintained and enhanced.

What if customers have any problems or suggestions?

Most matters can be resolved directly with the staff member providing customer services. It is suggested that this should be the first action taken. If this course of action is not successful, or not considered appropriate, customers should ask to speak with the officer's manager, or contact the Support Services Manager by:

Phone: 13 14 41
Fax: (02) 9287 5685
E-mail: info@lspc.nsw.gov.au
Post: Locked Bag 3000
Central Coast MC NSW 2252

The Customer Council (Industry Committee)

The independent Industry Committee acts as the Customer Council, monitors the current level of service performance, advises on new or modified services, recommends performance indicators of service quality and advises on client needs.

Customers wishing to make suggestions to the Industry Committee regarding services or their customer needs may contact the Committee Secretary by:

Phone: 13 14 41
Fax: (02) 9287 5685
E-mail: info@lspc.nsw.gov.au
Post: Customer Council
Locked Bag 3000
Central Coast MC NSW 2252

Appeals against decisions by the Corporation

Sections 49-54 of the Act empowers the Industry Committee to determine appeals lodged by workers, employers and levy payers in respect of certain Corporation decisions. Appeals are considered and determined on the basis of documentary evidence submitted by the parties involved.

Appendix 2

Performance indicators for provision of services

SERVICE	TARGET	RESULTS
Turnaround of written inquiries (excluding *Annual Statement of Recorded Service* related inquiries).	Resolved within 10 working days with progress advice until resolution if not resolved within 10 days.	Achieved.
Turnaround of *Annual Statement of Recorded Service* requests to review service allocated to a member's record and related inquiries.	Acknowledgement issued within 10 working days and resolution prior to next statement issue.	Achieved.
Turnaround of employer and worker applications for registration with all required information.	Within 10 working days for worker applications. Within 10 working days for employer applications.	Achieved.
Issue of *Annual Statement of Recorded Service*.	All issued by 30 November each year.	Achieved.
Turnaround of long service payments.	Within 10 working days.	Achieved.
Turnaround of financial inquiries.	Within 5 working days.	Achieved.
Telephone or personal inquiries on general or specific matters relating to levy matters.	Where possible, advice will be provided immediately.	Achieved.
Partial exemptions from payment of the levy eg owner builders.	Applications processed within 3 working days.	Achieved.
Training days per staff member.	4 days.	Achieved.
Emergency computer hardware and software problems responded to within 1 hour.	90%.	Achieved.
Standard computer hardware and software request responded to within 2 working days.	90%.	Achieved.
Computer system availability between 8.30 am and 5.00 pm.	98% in each month.	Achieved.
Computer system recovery.	100% within 8 working hours.	Achieved.
Bulk documents updated to main computer systems.	Within 2 working days.	Achieved target 90% of time and 100% within 5 working days.

Appendix 3

Consumer response

An important function of the independent Industry Committee is to act as Customer Council. Through the Committee the Corporation is able to provide the industry with regular updates on its achievements and consult with industry representatives on any issues that may impact on the Corporation's operations.

Marketing and communication activities

Marketing and promotion are an important part of the Corporation's scheme compliance strategy with employers. Failure to comply with obligations can be a result of misunderstanding or ignorance, rather than deliberate avoidance.

As such a major focus of marketing and promotional activities undertaken by the Corporation is to increase knowledge of the scheme by employers in the building industry.

Following results from market research undertaken by students of the University of Technology in Sydney during 2003-04 the Corporation increased the frequency of communication with registered employers. During the year the Corporation developed and issued quarterly information updates to assist employers in understanding and fulfilling their obligations.

A number of activities were also undertaken to raise awareness among those employers in the industry who may not be registered with the Corporation. Firstly, a series of advertisements were placed in trade journals and metropolitan newspapers to advise all employers in the building and construction industry of their obligations. Secondly, arrangements were made with a number of trade associations, ie the Housing Industry Association, Master Builders Association and Civil Contractors Federation, for Corporation staff to address regional meetings of their members.

As well as informing employers of their obligations the Corporation also undertook a range of activities to inform workers of their entitlements to long service. The Corporation continued to review all the information it sends to workers. The purpose of the review was to present information to workers in a plain English format. To assist this objective the Corporation provided training in workplace writing skills to all staff that write letters to workers.

The Corporation gives a high priority to customer service standards and during this financial year a number of initiatives were established to enable ongoing measurement of customer satisfaction. A survey of worker satisfaction with the Annual Statement and its issue was undertaken as part of the Corporation's attendance at the building union picnic day. Results from the survey showed a high level of satisfaction with the statement and its issue. To help measure the satisfaction and effectiveness of the auditing of employer records a survey has been developed and will be sent to a random sample of employers on an ongoing basis. It is proposed that a similar survey and procedure will be developed in 2005-06 to measure satisfaction levels amongst workers who have claimed a long service payment.

Customer complaints

There were two formal complaints made to the Corporation, which were subsequently resolved. This compares to six that were made in the previous year. There were also five representations to the Minister relating to recording of service, long service entitlements, worker coverage and payment of the levy on building work. The provisions of the scheme legislation and policies were explained to the complainants.

Appendix 4

Legislative change

Building and Construction Industry Long Service Payments Act 1986

The following statute law revisions encompassing simple administrative matters were assented to on 6 July 2004:

- Changes to reflect the administrative transfer of the Corporation from Department of Industrial Relations to WorkCover NSW.
- Changes to allow the Corporation to pay deceased workers benefits to:
  - personal representatives who appear entitled to receive letters of administration where the worker died wholly or partially intestate, or
  - a person who appears to be entitled to the benefit under the will of the deceased person.
- Where long service payments are lodged by applicants directly supervising workers, the Corporation may use rates of pay under an award equivalent or substantially equivalent for the work carried out by the workers under supervision.
- Where long service payments are lodged by applicants who are 'Clerks of Works', the Corporation may use rates of pay under an award equivalent or substantially equivalent for the work carried out by the workers for whom the 'Clerk of Works' is responsible.
- To enable the Building and Construction Industry Long Service Payments Committee (Industry Committee) to conduct their meetings partially or fully by electronic means and to conduct the business of the Industry Committee by circulation of papers electronically or otherwise.

Other minor changes that have occurred are:

- From 1 July 2005 all references to the Labor Council of NSW have been changed to Unions NSW.
- From 16 June 2005 Section 3(3) has been amended with the provision that any reference to a development consent under the Environment Planning and Assessment Act 1979 includes a reference to an approval under Part 3A of that Act. The latter section refers to approvals in relation to major infrastructure and other projects where the proponent is also the determining authority.

Appendix 5

Freedom of Information Act 1989

Two agencies are relevant under the Building and Construction Industry Long Service Payments Act 1986:

- Building and Construction Industry Long Service Payments Corporation – Agency 968 and
- Building and Construction Industry Long Service Payments Committee – Agency 1682.

The Corporation encourages clients to make direct contact with the Corporation if they wish to review their scheme records. This service is supplied free of charge and does not require an FOI application.

Updated FOI Statements of Affairs have been prepared and are available from the FOI Coordinator.

The Summary of Affairs of both Agencies are published in the Government Gazette and in respect of the Corporation were published in the Government Gazette No 206 of 31 December 2004 and No 76 of 24 June 2005.

All written inquiries on the above Agencies should be directed to:

The FOI Coordinator
Locked Bag 3000
Central Coast MC NSW 2252

or lodged on

Ground Floor
Corner Donnison and Baker Streets
GOSFORD NSW 2250

Freedom of Information (FOI) Requests

	Agency 968				Agency 1682			
	2004-05		2003-04		2004-05		2003-04	
	Personal	Other	Personal	Other	Personal	Other	Personal	Other
Total FOI requests	0	0	0	0	0	0	0	0

There were no FOI requests in 2004-05 and no requests were unresolved from the previous year in relation to either agency. No Ministerial Certificates were issued by either Agency and there were no requests requiring formal consultation or personal records required amendment as a result of any FOI request.

There were no Ombudsman's Reviews or District Court Appeals in 2003-04 or 2004-05.

Appendix 6

Privacy and Personal Information Protection Act

A Privacy Management Plan, as required under section 33 of the Privacy and Personal Information Protection Act 1998, was prepared prior to 30 June 2000 and a copy has been provided to the Privacy Commissioner. The Corporation has not received any applications for internal review of conduct under Part 5 of the Privacy and Personal Information Protection Act. As required a statement of data collected, data source, purposes and authority for collection of personal data was also supplied to the Privacy Commissioner. The Corporation is monitoring the Plan and conducts regular reviews.

Induction of new staff has included training on the Corporation's policies and guidelines for protecting personal information and privacy, particularly on the telephone Helpline.

The Privacy and Personal Information Protection Act does not apply in respect of information requests under a variety of State and Federal legislation. The Corporation complies with the requirements of such legislation in respect of any information provision.

The Corporation's formal complaint mechanism encompasses situations where customers have grievances in respect of requirements of the Privacy and Personal Information Protection Act. Customers in this position may lodge formal grievances by contacting the Corporation and these will be addressed in accordance with the requirements of the legislation.

Appendix 7

Disability plan

The Corporation has sought to ensure the development of access for people with disabilities to generic services and facilities. Specific strategies have been to:

- Monitor and review access by people with disabilities to Corporation services and facilities.
- Investigate/develop options for improving employment opportunities at the Corporation for people with disabilities.
- Ensure the continued safety and the minimisation of hazards for people with disabilities.

Access

The Corporation's head office at Gosford is on the ground floor and the Lidcombe office has lift access. Offices have wheelchair access, disability toilet facilities and lift facilities that comply with requirements. Public access and all counter areas include stand-up counters to enable persons with back problems to fill in forms while standing and have seating for customers waiting.

The physical nature of the work involved in the Corporation's client industry limits opportunities for industry based programs for people with disabilities. However, the scheme allows access to accrued benefits and, in some circumstances, continuation of the recording of service credits due to disability. In 2004-05, 587 grants of service on medical grounds were made totalling 172,812 days and 411 long service payments totalling $1,175,692 were paid to members who became totally incapacitated for work in the industry and were forced to leave the industry.

Employment

The Corporation employs 7 staff identified as having physical disabilities, which is approximately 12% of total staff members. EEO strategies ensure staff are provided with access to career development and training to enhance their prospects for promotion.

The Commonwealth Rehabilitation Service conducted assessments of new work practices and the working arrangements for two officers with disabilities.

Appendix 8

Women's action plan

Scheme

The Corporation's legislation requires it to deliver a long service benefits scheme to the building industry of NSW. Scheme benefits are equally available to male and female workers in the industry, but it is recognised that the industry is heavily male dominated. The scheme legislation includes provisions to help preserve women's registrations in the scheme if they are pregnant.

Staff

The Corporation received services from WorkCover NSW in respect of women's matters. The WorkCover Spokeswomen's Program included information sessions for women employees to assist them combining work and family commitments and provides financial and career planning information.

The Corporation has continued flexible working arrangements that offer a wide bandwidth, no core time and provides for up to three flex-days in a six-week period, which assist staff to meet work as well as family commitments. Where possible the Corporation has permitted officers to work part-time. These arrangements were utilised by two female officers to assist with childcare commitments.

Appendix 9

Community relations

Progress against Key Result Areas is shown below:

Key result area	Achievements
Social justice Providing an efficient and equitable scheme of portable long service benefits for the construction industry.	• A telephone translation service and staff speaking some community languages are available. The service is promoted to the industry and workers through various information materials. • Information about the scheme has been translated into fourteen community languages and has been made available on the Corporation's website. Over 1,800 people accessed this information during the year. • An information sheet, in fourteen community languages, on the availability of the translation service and how to respond to the *Annual Statement of Recorded Service* was forwarded to 260,491 workers together with their annual statements in October/November 2004. • Basic scheme information, in fourteen community languages, is provided on request to assist workers. • The Corporation's legislation includes requirements for employers to register their workers thus ensuring workers with low English proficiency have access to the scheme. • Information in fourteen community languages is included on the reverse of all letterheads. • A community languages advertising strategy has been implemented with advertisements promoting key employer obligations and worker information appearing in fourteen community language newspapers.
All relevant contracts require contracting parties to meet EEO practices in relation to that contract.	• Corporation contracts include provisions that EEO requirements will be complied with.
Community harmony Implementation of EEO Management and Equity and Access Plan.	• The Community Language Allowance Scheme is in place and staff are encouraged to obtain accreditation for community languages most used in the building industry. • Training and access to career development opportunities were available to all staff. Target groups participated in training and career development opportunities.

The Corporation's future strategic directions are to monitor, review and improve the effectiveness of the advice and services to workers from all community groups. This is assisted by mainstreaming community relations awareness to all Corporation staff and including review and consideration of existing strategies in the business planning of all operational units.

Appendix 10

Program evaluation

The Corporation uses the NSW Internal Audit Bureau for the provision of internal audit services and maintains a three-year audit plan, which is reviewed annually. The audit approach has a strategic and risk focus, and provides a continuous audit presence in core business areas.

Three areas were subject to audit comprising core business areas of worker registry and service database, levy revenue collection and long service payments to registered workers. Other areas audited included taxation and superannuation compliance, compliance with central agency requirements and a performance audit of the Compliance Unit, which is responsible for employer compliance programs and scheme marketing. Effective management controls were found to be in place in all areas and strategies and outcomes in the Compliance Unit were found to be appropriate and effective. However, a number of recommendations for improvements were noted and accepted. There have been no adverse findings from the audit program.

Appendix 11

Insurances and risk management

a) Insurances

In 2004-05 the Corporation was insured through the NSW Treasury Managed Fund (TMF). The TMF coverage for the Corporation is as follows:

- Workers Compensation – As per the NSW Act.
- Property – "New for old" full replacement and includes consequential increased costs of operation as a direct result of the physical loss or damage sustained to protected properties.
- Public Liability – All legal liabilities (for which the Corporation can be sued).
- Motor Vehicle – Full comprehensive.
- Miscellaneous Risk – Personal accidents (non-Workers compensation); overseas travel; fidelity; etc

b) Workers compensation

The Corporation had only one new claim for Workers' Compensation during the financial year. This claim related to an injury incurred whilst travelling to/from work.

The total cost of claims for 2004-05 was $6,482 which included the cost to finalise a claim opened in 2003-04.

c) Risk management

The Corporation faces risks in respect of possible fraud and loss of business premises. The Corporation has put in place procedures to minimise the impact of such risk by seeking to reduce potential frequency of occurrence or to reduce the severity of impact should an incident occur. These risks relate to internal and external fraud and the possible impact on the business of the Corporation of fire or other related interruption or failure of computer equipment which is dedicated to keeping of worker service records, payment of claims or recording of long service levies collected. These systems are regularly reviewed through a cycle of risk focussed internal audits. The Corporation also regularly reviews its internal control and check systems and delegations to ensure they continue to be aligned with business objectives and risk management strategies.

In 2003-04 the Corporation commissioned the Internal Audit Bureau Assurance and Advisory Services to conduct an analysis of the Corporation's business risk of various operations and provide estimates of residual inherent risk. This analysis has been used to ensure that the Internal Audit Plan was appropriate and focused on areas of major risk. A secondary objective was to increase awareness of risk management principles and practices. The overall assessment of the residual risk profile was medium. This rating requires that responsibilities for managing the risk need to be specified. Management controls were subsequently reviewed further by internal audit and found to be adequate. Management and staff were found to possess a reasonable awareness of risk management concepts and principles.

(d) Business continuity plan

A contingency and disaster recovery plan is in place. Recovery of the Corporation's key business systems onto alternate contingency computer servers from backup tapes has been successfully performed. Business recovery aspects relating to computer networks and telephone services, which are provided by WorkCover NSW under a shared partnership arrangement, continue to be refined.

The Corporation maintains duplicate stores of its brochures, worker and employer related stationery. Supplies of significant employer and worker forms are also retained at third party sites. This will assist in business resumption in the event of any major disruption.

The Corporation commenced a major redevelopment of its computerised worker registry system. This redevelopment will replace a 20-year-old system and allow more options to recover from any disruption. Implementation is scheduled to commence during 2005-06.

In accordance with Premier's Circular 2004–06 a contractor has been engaged to develop an Information Security Management System that complies with AS/NZS 7799:2.2003. Certification under the Australian and New Zealand standard is expected to be completed in 2005-06.

Appendix 12

Waste reduction and purchasing plan

The Corporation uses paper-based material including mail-outs to provide information and to communicate with scheme members and employers. The Corporation has actively supported recycling for many years and, for stationery and copy paper requirements, uses virtually totally Australian-made paper, which is manufactured using recycled content. All envelopes used are a minimum of 60 percent recycled paper. In addition, all waste paper products are disposed of either in the secure or general collection bins provided for regular collection and recycling. The Corporation recycles all printer toner cartridges.

The Corporation continued to promote electronic services achieving electronic lodgement of 30 percent of worker service advices for the 2003-2004 year. Lodgement statistics for 2004-2005 indicate that electronic lodgement will be marginally greater than 2003-2004. The usage of the Corporation's internet site increased by 42 percent from the previous year and has grown by a average annual rate of over 80 percent per annum since its upgrading to the current level. Electronic funds transfer is the preferred method of payment with 95 percent to workers now occurring by this method. Internet and emails have also moderated the use of paper-based products. Faxed material can now be received and stored electronically and despatched faxes can be sent directly from computer workstations without the use of paper. The Corporation also converted to an electronic records keeping system for all administrative files.

In accordance with its waste reduction plan, the Corporation operates three multifunctional copier/facsimile/printers with the capacity to print on both sides and has trained staff to use this function.

Appendix 13

Government energy management policy

During 2004-05, the Corporation continued to conserve energy.

In accordance with the NSW Government Energy Management Plan, and through the Corporation's head office leasing arrangements with WorkCover NSW, the Corporation continued to obtain competitive rates for its accommodation energy requirements and took full advantage of green power and renewable energy sources.

Additional energy reduction strategies that are in place include:

- computer and photocopying equipment with sleep modes, if not in use;
- timers installed on meeting and mail room and after work hours air-conditioning to reduce unnecessary usage of power;
- staff procedures to turn off electrical equipment at night or when not in use.

In accordance with Premier's Memorandum No 2005-03 a Fleet Environmental Improvement Plan has been developed. The introduction of this plan should ensure that all future fleet environmental performance and greenhouse reductions targets are achieved.

Peter, painter
Member since 1975

Appendix 14

Information technology

In accord with the NSW Government Shared Corporate Services Program, WorkCover NSW provides information technology and telecommunication infrastructure services to the Corporation. The Service Partnership Agreement with WorkCover NSW is reviewed annually and changed upon mutual consent from both parties.

The Corporation has implemented an electronic document and records management system. The system provides benefits by integrating with other business solutions, facilitates management of paper and electronic communications and complies with the Records Management Act.

A new electronic lodgement of *Employee Certificates of Service* was also implemented. This allowed for more timely and accurate lodgement of information from employers.

An imaging system was introduced to electronically extract data from forms received by the Corporation. The system provides upfront validation of information off forms and will also be closely integrated with the new worker registry system.

The Corporation has undergone a significant functional requirements definition process for its new Worker Registry System. A developer was appointed in early 2005 and the logical design process has now commenced.

The new Worker Registry System will allow for more streamlined lodgement of information by employers and will include internet transacting.

Appendix 15

Occupational health and safety

The Occupational Health and Safety Committee consists of two management members and four staff representatives. The Committee met on 3 occasions during 2004-05. Regular workplace inspections have been conducted and no major safety issues were identified.

Emergency evacuation procedures are in place and are current. Fire evacuation drills were conducted, which included special procedures for staff with disabilities. All staff are instructed in emergency procedures and the locations of the emergency exits on commencing duty. Four fire wardens are appointed at our Gosford head office and attended training programs organised by the building management four times a year. Besides evacuation procedures for fire, training has included managing potential hazards such as biohazards, bomb threats and earthquakes.

The Corporation has a contract with Davidson Trahaire Corpsych, which provides professional Employee Assistance Programs, to supply confidential counselling and assistance to employees and their families when required. This service has been widely promoted within the Corporation.

Appendix 16

Equal employment opportunity

WorkCover NSW, under a Service Partnership Agreement with the Corporation, collects EEO data regularly for the Premier's Department Workforce Profile. This assists the Corporation in monitoring its EEO performance against NSW Government employment benchmarks for staff from EEO minority groups. The Corporation achieved the established benchmark for women, Aboriginal and Torres Strait Islanders and people with disabilities and was within 5% of the benchmark for people from non English backgrounds.

The Corporation's two offices are designed to ensure easy access is provided for people with disabilities. Our offices also have designated quiet areas which can be used for meditation or religious practices.

Trends in the representation of EEO groups					
		% of total staff			
EEO group	Benchmark or target	2002	2003	2004	2005
Women	50%	51%	53%	52%	55%
ATSI	2%	2%	0%	2%	2%
NESB	20%	11%	12%	15%	16%
PWD	12%	12%	11%	12%	12%
PWD requiring work-related adjustment	7%	n/a	n/a	3%	10%
Trends in the distribution of EEO groups					
		Distribution index			
EEO group	Benchmark or target	2002	2003	2004	2005
Women	100	n/a	n/a	85	86
ATSI	100	n/a	n/a	n/a	n/a
NESB	100	n/a	n/a	n/a	n/a
PWD	100	n/a	n/a	n/a	n/a
PWD requiring work-related adjustment	100	n/a	n/a	n/a	n/a

Notes:
ATSI = Aboriginal & Torres Strait Islander employees
NESB = Non English Speaking Background
PWD = People with Disabilities
The women distribution index figures are not available for 2002 and 2003.
Staff numbers are as at 30 June and exclude agency staff.
A distribution index of 100 indicates that the centre of the distribution of EEO group salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than other staff. An index of more than 100 shows that the EEO group is less concentrated at lower levels.
The distribution index is not calculated where the EEO group is less than 20.

Appendix 17

Human resources information

WorkCover NSW has continued to provide human resource services through a shared partnership arrangement implemented in response to Government policy initiatives. As a result of this change a number of WorkCover's Human Resources Policies, where mutually compatible, have been adopted by the Corporation.

Work practices/industrial relations

There were no major industrial relations issues during the financial year. A Joint Consultative Committee meets regularly to address industrial issues. The Committee consists of representatives from the Public Service Association of NSW and the Corporation, with WorkCover NSW providing advice on human resource issues.

Training and development

This year's training target of 4 days training per officer was exceeded. A more stable staffing environment has enabled the Corporation to concentrate on developing the skills and corporate knowledge of the work force. Extensive resources were placed on further improving the customer service provided. A Corporation specific customer service training program was conducted with 46 officers attending.

Staffing statistics

Appointments

		2001-02	2002-03	2003-04	2004-05
Non promotional (base grade)	Permanent	-	-	-	-
	Temporary	-	-	-	-
Promotional positions	Permanent	23	16	5	6
	Temporary	1	-	-	1
Total		**24**	**16**	**5**	**7**

Breakdown of promotional recruitment

	2001-02	2002-03	2003-04	2004-05
Applicants outside the public sector	8	6	2	-
Applicants within the Corporation	5	2	1	4
Applicants from other public sector organisations	11	8	2	3
Total	**24**	**16**	**5**	**7**

Separations

	2001-02	2002-03	2003-04	2004-05
Resignations permanent officers	1	-	1	1
Separations temporary officers	1	-	-	-
Transfers on grade within public sector	14	10*	4	-
Promotions to other public sector organisations	2*	1	-	3
Voluntary redundancy	-	4	-	-
Retirement	-	-	-	-
Total	**18**	**15**	**5**	**4**

*Includes officers on promotional secondments and officers on secondment pending redeployment.

Chief and senior executive officers

	2001-02	2002-03	2003-04	2004-05
SES officers	1	1	1	1
Number of female SES officers	-	-	-	-
Number of SES officers at level 5 and above	-	-	-	-

Comparison of staff levels

	FTE* 2001-02	FTE* 2002-03	FTE* 2003-04	FTE* 2004-05
Senior executive service	1	1	1	1
Clerk grade 9-12	6.75	6	7	7
Clerk grade 5-8	16.75	20	16.3	21.1
Clerk grade 1-4	29.15	29	33	27.7
Clerical officer grade 1-2	-	-	-	-
Temporary contracting staff	3.75	3.4	5.1	9.6
Total	**57.4**	**59.4**	**62.4**	**66.4**

*FTE equals full time equivalent permanent/temporary officers employed and agency staff but excludes officers on leave without pay or secondment to other departments or agencies.

Appendix 18

Consultants

The Corporation engaged one consultant in 2004-05.

- Professional Financial Solutions, to undertake actuarial work on the sufficiency of the fund as at 30 June 2004 and an actuarial update of the valuation of scheme liabilities at June 2005, at a total cost of $47,000.

Appendix 19

Code of conduct

The Corporation's Code of Conduct is available on the website http://www.lspc.nsw.gov.au

Appendix 20

Annual report costs

Three hundred copies of the Annual Report were printed at a total cost of $7,535 including artwork and printing.

Appendix 21

Annual report availability

Annual report copies are available on the Corporation's website http://www.lspc.nsw.gov.au

Appendix 22

Other disclosures

- The Corporation has no subsidiaries and has not entered into joint ventures or partnerships with other organisations.
- The Corporation does not own any real estate property nor was any real estate property disposed of during the year.
- No overseas visits were made by officers during the year.
- No research or development programs were undertaken.
- There were no grants made to non-government community organisations.

Appendix 23

Publications

Publications available from the Corporation include:

- Annual Report 2003-04.
- Employer information brochure including registration form.
- Worker information brochure including registration form.
- Information for workers (including self employed) in Arabic, Chinese, Croatian, French, Greek, Indonesian, Italian, Khmer, Korean, Macedonian, Persian, Serbian, Spanish and Vietnamese.
- Building and construction industry rostered day off calendar 2005.
- Building and construction industry wall planner calendar 2005.
- Employer newsletter 2004.
- Important Information on your Annual Statement 2004.
- Information Sheet W001 – 'When You Can Apply for a Long Service Payment'
- Information Sheet W002 – 'National Agreement on Long Service'
- Information Sheet W003 – 'Application for an Earlier Registration Date'
- Information Sheet W004 – 'Long Service Leave v Long Service Payment'
- Information Sheet W005 – 'How Your Service is Recorded'
- Information Sheet W006 – 'Tax Payable on Long Service Payments'
- Information Sheet W007 – 'If Your Employer Stops Trading'
- Information Sheet W008 – 'Unable to Work Due to Illness or Injury'
- Information Sheet W009 – 'Appeals to the Industry Committee'
- Information Sheet W010 – 'Special Service Credits'
- Information Sheet W011 – 'Service Preservation Days'
- Information Sheet W012 – 'Things You Need To Know Before Making a Claim"
- Information Sheet W013 – 'Worker Information Sheet'
- Information Sheet E901 – 'What an Employer Must Do'
- Information Sheet E902 – 'Employer or Worker Member?'
- Information Sheet E903 – 'Employer – What to do If...'
- Information Sheet E904 – 'Do You Employ Workers who Work in More than One State?'
- Information Sheet E905 – 'Information to Assist in Completing your Employer Application for Payment'
- Information Sheet E906 – 'Electronic Lodgement of *Employee Certificates of Service*'
- Levy collection agent manual (for councils only).
- Counter stand – partial exemption information (for councils only).
- Levy poster (for councils only).
- Information for levy payers brochure.

Forms available from the Corporation

- Levy payment form.
- Application for partial levy exemption by non-profit, voluntary, sporting or church organisations form.
- Application for partial exemption of levy by owner builder form.
- Application to pay levy by instalments form.
- Application for levy refund – where work is not to proceed.
- Application for levy refund – except where work is not to proceed.
- *Employee Certificate of Service* form.
- *Self-Employed Certificate of Service* form.
- Application for an Employer to Register a Worker Registration Form.
- Record Update 2004.
- Request for voluntary cancellation.
- Appeal form.

All publications are reviewed to ensure currency and accordance with legislation and policies.

Terry, bricklayer
Member since 1975

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Neville, bricklayer
Member since 1975

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1975-2005 – *30 years of building benefits*