

Hon John Della Bosca MLC
Special Minister of State,
Minister for Industrial Relations and
Assistant Treasurer
Parliament House
Macquarie Street
SYDNEY 2000.

Dear Minister

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

The report for the year ended 30 June 2001 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.

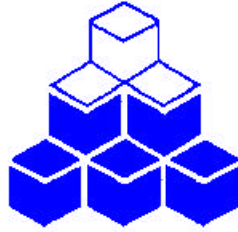
Yours sincerely

COPY, original signed by

Kate McKenzie
Director-General
Department of Industrial Relations

17 October 2001

Building & Construction Industry



LONG SERVICE PAYMENTS CORPORATION

ANNUAL REPORT 2000- 2001

CONTENTS

	Page
Director's report	2
Charter	3
Access	3
Role of the Corporation	3
Organisation structure	4
Principal officers	4
Corporate plan	5
Management Improvements and achievements	6-7
Priorities for 2001-2002	7
Comparison of major operational performance statistics	8
Financial performance Information	9-10
Budget forecast and results	11
Audited financial statements	12-28
Building and Construction Industry Long Service Payments Committee	29-32
Appendices	33-51
Index	52

DIRECTOR'S REPORT

This year has been a year of quiet achievement for operations and development. Over the year, there has been increasing community awareness of employee entitlements and demands for the protection of them. The protection of long service entitlements is a core aspect of the scheme administered by the Corporation.

Events during the year with significant impacts included the GST introduction, the Olympic and Paralympic Games and, unfortunately, a subsequent industry downturn, with major decreases occurring in new worker registrations and levy collections. The Corporation continued to prove its worth and paid out a record \$34.7m in long service payments to registered workers.

Achievements worthy of note include increased field activities to promote awareness and compliance in regional and rural New South Wales and the development of new community language information in fourteen languages for introduction in early 2001-2002. The Corporation introduced an option for employers to electronically lodge employment details for workers and commenced the redesigning and redevelopment of the Corporation's website. Major market research by independent consultants was initiated as well as consideration of proposals to re-establish a sub-office. New privacy and personal information protection requirements were introduced. Finally, the Corporation arranged and hosted a very successful national two-day conference in Sydney for board members and executives from all the interstate long service schemes to examine opportunities and issues faced by the schemes.

With the commencement of a new year, a new Corporate Plan for 2001-2004 has been developed with objectives of ensuring benefits are provided effectively and efficiently to registered building workers, exercising sound financial management, extending staff development and enhancing accountability. Seven corporate priorities have been identified for 2001-2002, namely:

- establishing a new sub-office;
- planning new actions arising from the market research consultancy currently in progress;
- developing and extending electronic service delivery options;
- undertaking a full actuarial investigation of the scheme;
- undertaking major worker register maintenance;
- implementing new strategic risk management policies and practices; and
- progressing the redevelopment of the computerised worker records system.

It is most pertinent to acknowledge the continued support received. Thanks must go to the staff of the Corporation for their continued dedication, to industry organisations and the Industry Committee and its members for their guidance, assistance and support and to the many other service providers including local councils across the State in their vital role of levy collection.

The Corporation looks forward to the challenges and opportunities of a new year.

COPY, original signed

Keith Napper
Director

CHARTER

BUILDING AND CONSTRUCTION INDUSTRY LONG SERVICE PAYMENTS CORPORATION

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

BUILDING AND CONSTRUCTION INDUSTRY LONG SERVICE PAYMENTS CORPORATION

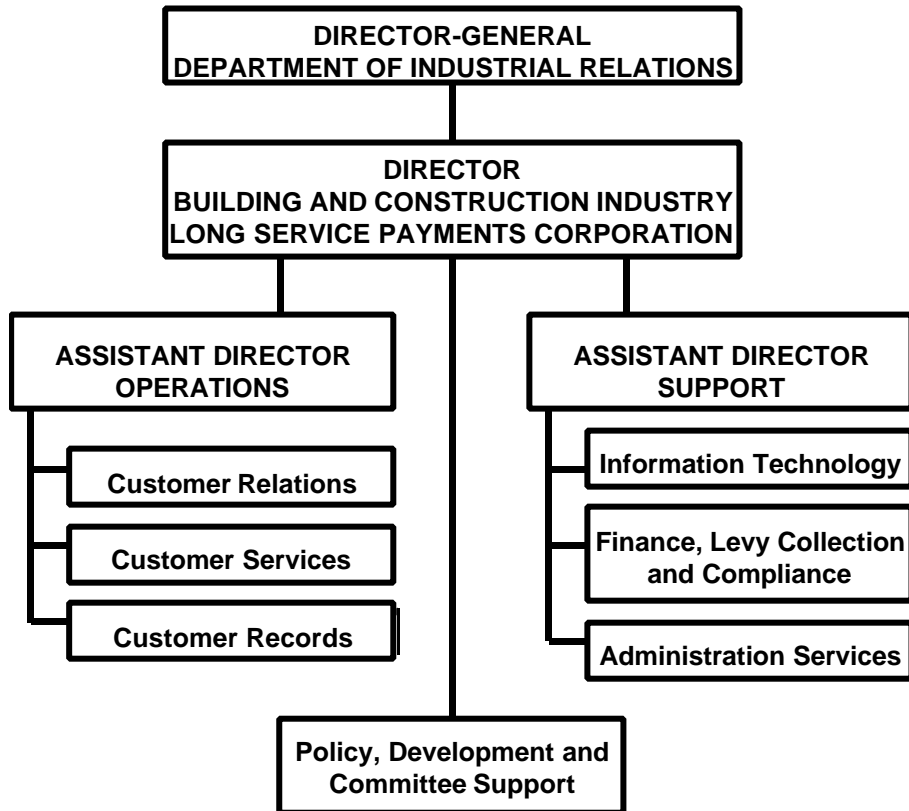
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Telephone:	13 1441 (local call rates from fixed phones within NSW) 1800 426 684 (free call for callers from outside NSW) - For calls from mobile phones the usual plan rates apply
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E-mail:	info@lspc.nsw.gov.au
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 Department 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 Director-General of the Department of Industrial Relations, 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 219,000 registered workers and 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

Ms Kate McKenzie BA, LLB

Director-General, NSW Department of Industrial Relations
General Manager, WorkCover Authority NSW

Mr Keith Napper BCom, CA

Director

Mr Brent Weiley

Assistant Director - Operations

Mr Robert Armstrong BSc (Hons)

Assistant Director - Support

CORPORATE PLAN 2001-2004

OUR MISSION AND PURPOSE TO DELIVER INDUSTRY-BASED BENEFITS

OUR VISION TO BE RECOGNISED AS PROVIDING 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.
 - Utilise contemporary technologies in information management and service delivery.
 - Conduct compliance programs for coverage and service accrual.
 - Conduct promotional activities within the industry.

OBJECTIVE 2 Financial viability is maintained.

- Strategies**
- Provide accurate and consistent information services for levy collections.
 - Utilise contemporary technologies in information management and service delivery for levy collection.
 - 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 3 Informed and trained staff.

- Strategies**
- Address training and development needs.
 - Provide feedback on performance to workgroups and individuals.
 - Maintain appropriate organisational design.

OBJECTIVE 4 Minister is kept informed.

- Strategies**
- Provide information and advice.
 - Conduct research and analysis.
 - Maintain information networks in the industry.

MANAGEMENT IMPROVEMENTS AND ACHIEVEMENTS

The Corporation identified a number of corporate priorities for 2000-2001. Progress on these priorities is outlined below.

COMMUNITY LANGUAGE INFORMATION MATERIAL

- Reviewed 'Information for Registered Workers' booklet and initiated arrangements for translation into fourteen languages and posting on the internet website.
- Designed and printed site posters ready for distribution, with a short message in fourteen target community languages.

SCHEME COMPLIANCE

- Increased audit and advisory activities in regional and rural New South Wales by over 60%
- Reviewed 'Information for New Employer' booklet.

PRIVACY AND PERSONAL INFORMATION PROTECTION

- Implemented all actions in the Corporation's privacy and personal information protection management plan, including an audit of procedures.
- Conducted initial and follow up training courses for all staff.

MARKET RESEARCH

- Initiated a market research consultancy to gain information on building and construction industry employer and worker perceptions and awareness relating to the scheme and the Corporation.

LEGISLATIVE CHANGES

- Reviewed and analysed legislation and identified possible areas for change in order that legislative change proposals can be progressed when appropriate.
- In accordance with the provisions in the Subordinate Legislation Act 1989, the Corporation's regulations terminated on 31 August 2000. Processes necessary in terms of review and industry consultation were followed, so that new regulations became effective 1 September 2000.

ELECTRONIC SERVICE DELIVERY

- Identified and analysed problems arising out of trials of electronic lodgement of worker service documents in 1999 and 2000 and initiated changes and new approaches for electronic lodgement of documents by major employers for 2000-2001, including conducting briefing session for employers.
- Developed specifications for the Corporation's website redevelopment.

REPLACEMENT OF COMPUTERISED WORKER RECORDS SYSTEM

- Progressed the development of a replacement computerised worker records system through the development of functional specifications encompassing new risk management strategies.

ADDITIONAL ACHIEVEMENTS OF THE CORPORATION

- Met published service standards in operations and support areas.
- Maintained telephone Helpline' telephone for member and industry employers with over 88,000 calls being received.
- Simplified layout of the annual statement of service issued to members.
- Conducted 236 visits to local councils in metropolitan, regional and rural NSW in support of levy collection agencies.
- Continued TAFE apprenticeship awards to promote awareness of the long service payments scheme amongst new entrants to the industry.
- Developed a new corporate plan for 2001-2004 and reviewed service standards to ensure that performance targets can be clearly measured.
- Implemented the Goods and Service Tax requirements without incident.
- Investigated the establishment of a sub-office at Lidcombe with a proposal being endorsed by the Industry Committee in June 2001.
- Implemented major replacement and upgrade of networked desk-top computer equipment.
- Seconded nine officers to the Sydney Olympics and one to the Paralympic Games.
- Hosted the annual conference for Australian Long Service Authorities with the theme 'Industry and economic reforms and opportunities for long service schemes – What should we be doing?'

CORPORATE PRIORITIES FOR 2001-2002

- Establish a sub-office at Lidcombe.
- Implement actions arising out of the market research consultancy.
- Extend electronic service delivery options.
- Undertake a full actuarial investigation of the scheme.
- Undertake maintenance of the member register.
- Progress the redevelopment of a new computerised worker system.
- Implement new strategic risk management policies and practices.

COMPARISON OF MAJOR OPERATIONAL PERFORMANCE STATISTICS

Activity and /or administrative function	1997-98	1998-99	1999-00	2000-01
Long service payments made to workers	5,542	6,146	6,676	8,355
Value of long service payments made	\$19.6M	\$22.6M	\$26.8M	\$34.7M
Cumulative number of payments since scheme began	61,268	67,414	74,090	82,250
Cumulative value of payments made since scheme began	\$165.0M	\$187.6M	\$214.4M	\$249.1 M
Number of payments in conjunction with interstate schemes	172	274	335	353
New worker registrations approved	14,325	32,658	28,975	22,588
Number of workers excluding those identified for cancellation	153,589	165,236	191,776	218,719
Workers identified for cancellation – see note below	50,700	71,711	66,569	65,046
New employer registrations approved	2,543	3,334	3,441	2,975
Total number of registered employers	27,247	28,453	30,031	31,319
<i>Employee Certificates of Service</i> received	110,934	125,995	139,282	139,337
<i>Self Employed Worker Certificates of Service</i> received	31,730	35,211	42,368	35,071
<i>Annual Statements of Recorded Service</i> (SRS) issued	193,131	184,363	194,783	206,992
Requests to review service recorded in SRS	2,198	2,061	2,366	2,466
Employer advisory / audit visits made	1,013	1,646	1,957	1,490
Telephone Helpline inquiries	81,263	95,355	96,511	88,444
Written inquiries	9,358	11,276	9,754	9,648
Counter inquiries	2,238	1,621	3,019	2,932
Levy exemptions approved	1,481	1,582	1,610	1,209
Levy refunds approved	283	855	1,838	1,696
Levy advice relating to complex matters	63	69	86	39
Levy payment by instalments approved	4	14	18	9
Total funds invested	\$317.1M	\$337.1M	\$376.4M	\$389.1M
Actuarial estimate of scheme liabilities	\$258.5M	\$291.8M	\$297.0M	\$302.0M
Investment income	\$23.8M	\$25.3M	\$40.4M	\$32.7M
Long service levy income	\$20.3M	\$29.4M	\$28.2M	\$19.7M
Net administration costs	\$5.7M	\$7.3M	\$7.9M	\$7.8M

Note Annual cancellation of inactive memberships was again deferred in 2000-2001.
 The numbers identified for cancellation are cumulative since the last cancellation in 1994.
 Workers who have taken long service payments based on leaving the industry are removed from the register as required by legislation.

FINANCIAL PERFORMANCE - SUMMARY

Revenues and Expenses

During the 2000-2001 financial year, revenue from all sources amounted to \$52.6M and expenditure amounted to \$47.5M, leaving an operating surplus of \$5.1M. The variance with the budget surplus of \$12.5M was mainly due to the net outcomes of the following factors:

- Investment income of \$32.7M exceeded the budget by \$6.0M due to an annual return of 9.0% pa, which was higher than the forecast return used in the budget.
- Levy Income of \$19.7M was under budget by \$16.7M due to a fall in the building and construction activity following the introduction of the GST and completion of building and construction activity associated with the Olympic Games.
- Long service payments liability expense of \$5.0M and long service payments of \$34.7M in total were lower than the budget by \$21.3M primarily due to a lower than forecast long service payments liability expense. The budget and actual long service payments liability expense for the year are actuarially estimated as at 30 June 1999 and revised as at 30 June 2001 on the basis of developments during the year.
- Administrative expenditure of \$7.8M was below budget by \$1.9M due to savings on staffing, marketing and delays in office fitouts and redevelopment of the computerised worker system application.

Capital Expenses

The Corporation's capital budget of \$1.6M was for the redevelopment of the computerised worker system, office fitouts, computer hardware and motor vehicle purchases. The Corporation expended \$0.2M on computer and motor vehicle purchases during the financial year. The redevelopment of the computerised worker system and office fitouts have been deferred to the next financial year.

	Budget \$'000	Actual \$'000
Redevelopment of Worker System	\$1,000	\$0
Annual Provisions	\$600	\$221
Total capital expenses	\$1,600	\$221

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 1999 to determine the sufficiency of the fund and the adequacy of the long service levy. The investigation was conducted by NSP Buck and concluded that there was a sufficiency of funds with assets of \$345.5M and liabilities of \$291.8M and as a consequence the levy rate of 0.2% remained adequate.

An actuarial update of the position was undertaken as at 30 June 2001 for inclusion in the financial statements. Total liabilities were estimated at \$302M.

Clause 18 Requirement - Payment Performance

The Corporation has complied with Clause 18 of Public Finance and Audit (General) Regulation 1995. There have been no delays in account payments leading to the payment of interest. Payments are made by the due date of an invoice and to achieve any discount.

Schedule of Accounts Payable at end of Relevant Quarter

PAYMENT	September 2000 Qtr	December 2000 Qtr	March 2001 Qtr	June 2001 Qtr
Current	\$124,209	\$135,390	\$54,823	\$90,286
Less than 30 days overdue	\$0	\$0	\$0	\$0
More than 30 days overdue	\$0	\$0	\$0	\$0
Total Accounts Payable	\$124,209	\$135,390	\$54,823	\$90,286

Accounts Paid on Time in Relevant Quarter

	September 2000 Qtr	December 2000 Qtr	March 2001 Qtr	June 2001 Qtr
Total dollar amounts paid on time	\$634,743	\$720,342	\$680,671	\$983,917
Total dollar amounts paid	\$634,743	\$720,342	\$680,671	\$983,917
Percentage accounts paid on time	100%	100%	100%	100%

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 facility return.

Fund Categories	Balance on hand as at		Corporation Investment Performance		Comparative Facility Performance
	30.6.00 \$'000	30.6.01 \$'000	Income \$'000	Return %	Return %
Long Term Growth	375,370	387,404	32,534	9.0	9.0
Cash	1,054	1,740	185	6.0	6.0
TOTAL	376,424	389,144	32,719	n/a	n/a

BUDGET FORECAST AND RESULTS

	BUDGET 2000/2001 \$'000	ACTUAL 2000/2001 \$'000	BUDGET 2001/2002 \$'000
REVENUES			
Investment Income	26,700	32,719	32,100
Levy Income	36,500	19,738	32,400
Other Income	128		
		201	128
TOTAL REVENUES	63,328	52,658	64,628
OPERATING EXPENSES			
Long Service Payments	29,500	34,677	53,600
Long Service Payments Liability Expense	31,500		18,200
		5,000	
TOTAL OPERATING EXPENSES	61,000	39,677	71,800
OPERATING SURPLUS(DEFICIT)/RESULT	2,328	12,981	(7,172)
ADMINISTRATIVE EXPENSES			
Human Resources			
Employer Salaries	3,357		3,389
		2,508	
Employer Superannuation Charge	440		
		1,262	440
Employee Salary Related Expenses	1,406	921	1,051
	5,203		4,880
		4,691	
Operations			
Depreciation of Fixed Assets	665		
		468	717
External Audit Fees		43	
	45		45
General Expenses	1,699	1,467	2,406
	2,409		3,168
		1,978	
Occupancy			
Rental	270		
		282	289
Associated Occupancy Expenses	352		
		231	405
	622		694
		513	
Computing			
Computer Operations/Maintenance	752		1,252
		217	
External Computing Services	150		
		115	150
	902		1,402
		332	
Marketing			

Marketing Program Expenses	<u>514</u>	<u>267</u>	<u>190</u>
Travel			
Travel Expenses	<u>75</u>	<u>49</u>	<u>75</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>9,725</u>	<u>7,830</u>	<u>10,409</u>
NET SURPLUS(DEFICIT)/RESULT	<u>(7,397)</u>	<u>5,151</u>	<u>(17,581)</u>

NOTE: These budget figures have not been audited.



BOX 12 GPO
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT
BUILDING AND CONSTRUCTION INDUSTRY
LONG SERVICE PAYMENTS CORPORATION

To Members of the New South Wales Parliament and the Director-General, Department of Industrial Relations.

SCOPE

I have audited the accounts of the Building and Construction Long Service Payments Corporation for the year ended 30 June 2001. The Director-General is responsible for the financial report consisting of the statement of financial position, statement of financial performance and statement of cash flows, together with the notes thereto, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and the Director-General based on my audit as required by sections 34 and 41C(1) of the *Public Finance and Audit Act 1983* (the Act).

My audit has been conducted in accordance with the provisions of the Act and Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of the Act, Accounting Standards and other mandatory professional reporting requirements, in Australia, so as to present a view which is consistent with my understanding of the Corporation's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

QUALIFICATION

As in previous years, the Corporation, as disclosed in Note 1(c), has recognised the net increment on revaluation of the non-current asset NSW Treasury Corporation Long Term Growth Facility Trust as revenue. The Corporation considers its function analogous to that of superannuation entities which are obliged under Australian Accounting Standard AAS25 "Financial Reporting by Superannuation Plans" to include the change in the net market value of assets as revenue for the reporting period.

In my opinion, this is a departure from Australian Accounting Standard AASB1041 "Revaluation of Non-Current Assets". The latter Standard requires the net increment on revaluation, amounting to \$31.8m for the year (\$40.0m in 1999-2000), to be credited to an asset revaluation reserve. Had this been done, the result for the year would change from the operating surplus of \$5.2m (\$23.4m surplus in 1999-2000) to an operating deficit of \$26.6m (\$16.7m deficit in 1999-2000). Net assets would amount to the same under either Standard.

My opinion on the financial report for the year ended 30 June 2000 was similarly qualified.

QUALIFIED AUDIT OPINION

In my opinion, except for the effects on the financial report of the matter referred to in the qualification paragraphs, the financial report of the Building and Construction Long Service Payments Corporation complies with section 41B of the Act and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Corporation as at 30 June 2001 and the results of its operations and its cash flows for the year then ended.

COPY, original signed by

R J Sendt
Auditor-General

SYDNEY
4 September 2001

**BUILDING AND CONSTRUCTION INDUSTRY
LONG SERVICE PAYMENTS CORPORATION**

ANNUAL ACCOUNTS

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 2001 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 Regulations, 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 income (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.

COPY, original signed by

Keith Napper
Director
Building and Construction Industry
Long Service Payments Corporation

31 August 2001

COPY, original signed by

Kate McKenzie
Director - General
Department of Industrial Relations

31 August 2001

**BUILDING AND CONSTRUCTION INDUSTRY
LONG SERVICE PAYMENTS CORPORATION**
**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2001**

	Note	2001 \$'000	2000 \$'000
CURRENT ASSETS			
Cash Assets	2	219	708
Receivables	3(a)	2,614	3,395
Other Financial Assets	4(a)	1,740	1,054
TOTAL CURRENT ASSETS		4,573	5,157
NON-CURRENT ASSETS			
Receivables	3(b)	1,145	1,925
Other Financial Assets	4(b)	387,404	375,370
Property, Plant and Equipment	5	829	1,113
TOTAL NON-CURRENT ASSETS		389,378	378,408
TOTAL ASSETS		393,951	383,565
CURRENT LIABILITIES			
Payables	6	449	375
Provision for Employee Entitlements	7(a)	367	383
Provision for Scheme Liabilities	8(a)	53,600	29,500
TOTAL CURRENT LIABILITIES		54,416	30,258
NON-CURRENT LIABILITIES			
Provision for Employee Entitlements	7(b)	1,297	1,120
Provision for Scheme Liabilities	8(b)	248,400	267,500
TOTAL NON-CURRENT LIABILITIES		249,697	268,620
TOTAL LIABILITIES		304,113	298,878
NET ASSETS		89,838	84,687
EQUITY			
Retained Surplus		89,838	84,687
TOTAL EQUITY	9	89,838	84,687

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

LONG SERVICE PAYMENTS CORPORATION

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001**

	Note	2001 \$'000	2000 \$'000
REVENUES FROM ORDINARY ACTIVITIES			
Investment Income	10	32,719	40,396
Long Service Levy	11	19,738	28,186
Other Revenue	12	201	2,235
TOTAL REVENUE FROM ORDINARY ACTIVITIES		52,658	70,817
EXPENSES FROM ORDINARY ACTIVITIES			
Long Service Payments	13	34,677	26,781
Long Service Payments Liability Expense	8(c)	5,000	12,800
Employee Related Expenses	14	4,689	4,006
Operating Expenses	15	2,673	3,426
Depreciation	5	468	451
TOTAL EXPENSES FROM ORDINARY ACTIVITIES		47,507	47,464
NET SURPLUS/RESULT		5,151	23,353

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 2001**

	Note	2001 \$'000	2000 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Long Service Levy Receipts		20,689	29,252
Interest Receipts		249	168
Other Receipts		205	312
Long Service Scheme Payments		(34,642)	(26,847)
Payments to Suppliers and Employees		(6,650)	(7,445)
Net Cash Flows From Operating Activities	16	(20,149)	(4,560)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Investments		22,500	5,000
Proceeds from Disposal of Plant and Equipment		1	9
Purchase of Investments		(2,000)	(3,000)
Purchase of Plant and Equipment		(155)	(234)
Net Cash Flows From Investing Activities		20,346	1,775
NET INCREASE/(DECREASE) IN CASH HELD		197	(2,785)
Opening Cash and Cash Equivalents		1,762	4,547
CLOSING CASH AND CASH EQUIVALENTS	17	1,959	1,762

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001**

1 STATEMENT OF ACCOUNTING POLICIES

(a) The Reporting Entity

The Building and Construction Industry Long Service Payments Corporation (Corporation) has its principal office at 1 Oxford Street, Darlinghurst 2010. 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 has been prepared in accordance with the following:

- Australian Accounting Standards, Statement of Accounting Concepts and Urgent Issues Group (UIG) Consensus Views;
- Public Finance and Audit Act 1983 & Regulations;
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- in the absence of a specific Accounting Standard, other authoritative pronouncements of AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS6 'Accounting Policies' as considered; and
- except where otherwise stated, in accordance with the applicable Australian Accounting Standards.

These financial statements have been prepared on an accrual basis in accordance with the historical cost convention except for investments, which are shown at net market value. 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) Other Financial Assets

The New South Wales Treasury Corporation (TCorp) administers the Corporation's investment funds through its Hour-Glass Investment Facilities. Investment income comprises interest and increases in the value of the investments. Effective from 30 June 2001, the Hour-Glass Investment Facilities have been registered as Unit Trusts and the Corporation's investments have been transferred to the relevant Hour-Glass Investment Facility Trusts.

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 AASB 1041 "Revaluation of Non-Current Assets". AASB 1041 requires the net increment on revaluation of non-current assets to be directly credited to an asset revaluation reserve. However, the Corporation considers its functions to be similar to that of superannuation entities. AAS 25 "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.

(d) 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. 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001**

(e) 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.

(f) Leases

The Corporation is not a party to any finance lease. Existing operating leases relate to leasing premise at 1 Oxford Street, Darlinghurst. Operating lease payments are charged to expense in the periods in which they are incurred.

(g) 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.

(h) Employee Entitlements

Liabilities for wages, salaries and annual leave are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

Payments made in respect of recreation leave during the year form part of employee related expenses. The balance shown in the provision for recreation leave represents untaken leave as at 30 June 2001 together with the oncost liability.

Long service leave measurement 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. The current liability for long service leave is calculated by determining the value of leave intended to be taken by current employees and unused leave to be paid on separation from the Corporation in the next financial year. The non-current liability for long service leave is the remainder of the total employee long service leave entitlement. The balance shown in the provision for long service leave represents untaken leave as at 30 June 2001 together with the oncost liability.

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 entitlements to which they relate have been recognised.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001**

(i) 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 are assessed by the Government Actuary at the end of the financial year. The prepaid superannuation contributions and unfunded superannuation liability are separately classified as an asset and a liability.

(j) 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 entered into arrangements with local government councils to act as agents for the collection of the long service levy in return for a commission.

(k) Revenue Recognition

Revenue is recognised when the Corporation has control of the good or the right to receive, 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 which is brought to account on sale of the asset;
- interest, superannuation unfunded liability adjustment and other miscellaneous income which are recognised as they accrue.

(l) 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 approximates 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.

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

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

- 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 which is recoverable from, or payable to, the ATO is classified as operating cash flows.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001**

	<u>2001</u>	2000
	<u>\$'000</u>	\$'000
2 CASH ASSETS		
Cash at Bank and on Hand	<u>219</u>	<u>708</u>
3 RECEIVABLES		
(a) Current		
Long Service Payments	27	19
Long Service Levy	2,376	3,327
Prepayments	4	11
Interest	6	4
Other	201	34
	<u>2,614</u>	<u>3,395</u>
(b) Non-Current		
Prepaid Superannuation Contributions	<u>1,145</u>	<u>1,925</u>
	<u>3,759</u>	<u>5,320</u>
4 OTHER FINANCIAL ASSETS		
Investments		
<p>The Corporation has investments in TCorp's Hour-Glass Investment Facility Trusts effective from 30 June 2001. The Corporation investments 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:</p>		
(a) Current		
Cash Facility Trust	<u>1,740</u>	1,054
(b) Non-Current		
Long Term Growth Facility Trust	<u>387,404</u>	375,370
	<u>389,144</u>	<u>376,424</u>

These investments are generally able to 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 fair 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001**

2001	2000
\$'000	\$'000

5 PROPERTY, PLANT AND EQUIPMENT

Plant and Equipment at cost	1,983	2,020
Less Accumulated Depreciation	(1,154)	(907)
	829	1,113

	Plant and Equipment \$'000	Computer Equipment \$'000	Motor Vehicles \$'000	Total \$'000
2001				
Carrying amount at start of financial year	516	498	99	1,113
Additions		132	68	221
	21			
Disposals	-	(196)	(62)	(258)
Transfer/(Adjustments for disposals)	-	196	25	221
Depreciation	(145)	(299)	(24)	(468)
Carrying amount at end of financial year	392	331	106	829
2000				
Carrying amount at start of financial year	661	546	124	1,331
Additions		227	-	234
	7			
Disposals	-	(110)	-	(110)
Transfer/(Adjustments for disposals)	-	109	-	109
Depreciation	(152)	(274)	(25)	(451)
Carrying amount at end of financial year	516	498	99	1,113

2001	2000
\$'000	\$'000

6 PAYABLES

Long Service Payments	149	106
Long Service Levy Commissions	95	97
Administrative Expenses	205	172
	449	375

7 PROVISION FOR EMPLOYEE ENTITLEMENTS

(a) Current

Accrued Salaries and Wages	76	66
Recreation Leave	261	287
Long Service Leave	30	30
	367	383

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001**

	2001	2000
	\$'000	\$'000
(b) Non-Current		
Long Service Leave	1,040	930
Employer Superannuation Contribution	257	190
	1,297	1,120
	1,664	1,503

Unfunded Superannuation Liability/Prepaid Superannuation Contributions Statement 30 June 2001:

Monetary Value	SASS	SANCS	SSS
Actuarial Superannuation Liability	(804,379)	(459,758)	(4,946,827)
Reserve Account Balance as at 30 June 2001	872,131	202,340	6,023,814
(Unfunded Liability)/Prepaid Contributions as at 30 June 2001	67,752	(257,418)	1,076,987

The Gross Superannuation Liabilities were actuarially determined based on the following economic assumptions:

	2001/02	2002/03	2003/04
	%	%	%
Rate of investment return	7.0	7.0	7.0
Rate of salary increase	3.0	6.5	4.0
Rate of increase in CPI	2.5	2.5	2.5

	2001	2000
	\$'000	\$'000
8 PROVISION FOR SCHEME LIABILITIES		
(a) Current	53,600	29,500
(b) Non-Current	248,400	267,500
	302,000	297,000
Balance at the beginning of the financial year	297,000	284,200
Balance at the end of the financial year	302,000	297,000
(c) Long Service Payments Liability Expense	5,000	12,800

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 1999 by Buck Consultants. The registered worker file provided by the Corporation as at 30 June 1999 contained details of 234,483 workers. 95,285 workers who had been paid a withdrawal, retirement, death or disablement benefit and workers who had not accrued any service credits in at least the 4 years to 30 June 1999 were removed for valuation purposes. The claims file provided had 13,351 records, of which 1,615 of these records were revisions of earlier claims.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001**

The table below show the financial assumptions used in the actuarial valuation:

Financial Year	Net Investment Return %	Wages Increase Rate %	Real Rate of Return %
1999/00	8.0	4.0	4.0
2000/01	8.5	5.0	3.5
thereafter	9.0	6.5	2.5

The actuaries found that there was a reduction in the scheme's financial position as at 30 June 1999 due to the impact of the legislative changes as at 1 July 1998.

The actuarial investigation found that scheme assets need to be supplemented by a long service levy to cover total future benefit payments plus expenses for the existing Building and Construction Industry workforce and benefits in respect of new entrants to the scheme. If there were no surplus assets the long service levy rate would be 0.23% of the value of building and construction approvals. However, the current levy rate of 0.2% is reasonable in the shorter term due to the existence of a retained surplus in the Fund.

At 30 June 2001, Buck Consultants undertook another actuarial update. Based on the claims data provided by the Corporation for the 12 months ending 30 June 2001 and information provided on new entrants through the period, the actuaries estimated the scheme liabilities to be \$302M. In making this estimate, the actuaries have used the same assumptions and margins as in the 30 June 1999 report adjusted to a lower weekly rate of pay for the carpenter/joiner award as the 1 July 1988 legislative effect has not proven to be as large as first estimated.

Effective Date	Scheme Liabilities \$M	Change from Previous year \$M
30/06/1997	197.8	20.8
30/06/1998	258.5	60.7
30/06/1999	291.8	33.3
30/06/2000	297.0	5.2
30/06/2001	302.0	5.0

The figures above are based on the scheme liabilities as determined in the actuarial investigation and subsequent updates. It should be noted that the accrued benefits reserve (scheme liabilities) shown on the table above may differ from those reported in the financial statements.

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 which 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001**

	2001	2000
	\$'000	\$'000
9 Equity		
Retained Surplus at the beginning of the financial year	84,687	61,334
Net Surplus/Result	5,151	23,353
Retained Surplus at the end of the financial year	89,838	84,687
10 Investment Income		
Cash Facility Trust	185	92
Long Term Growth Facility Trust	32,534	40,304
	32,719	40,396
11 Long Service Levy		
Long Service Levy	20,422	28,839
Long Service Levy Refunds	(684)	(653)
	19,738	28,186
12 Other Income		
Interest	66	72
Profit/(Loss) on Disposal of Plant and Equipment	30	8
Miscellaneous Income	105	140
Superannuation Unfunded Liability Adjustment	-	2,015
	201	2,235
13 Long Service Payments		
Workers	30,963	23,587
Employers	2,316	1,930
Medical Incapacity	973	852
Deceased	425	412
	34,677	26,781
14 Employee Related Expenses		
Salaries including Recreation Leave	2,810	2,874
Long Service Leave	147	130
Superannuation	1,261	394
Payroll Tax and Fringe Benefits Tax	172	171
Contractors	247	359
Other Employee Related Expenses	52	78
	4,689	4,006

The average number of "equivalent full time" employees during the financial year was 57.2.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001

	2001	2000
	\$'000	\$'000
15 Operating Expenses		
Computing	332	600
Marketing	267	389
Travel	49	49
Occupancy	513	485
Long Service Levy Commissions	697	1,079
Consultancy	2	30
Audit remuneration - audit of financial report	43	42
- other services	-	3
Services Agreement *	378	345
Other Administrative Expenses	392	404
		3,426
	2,673	

* The Corporation has entered into an agreement with the Department of Industrial Relations for the provision of certain services by:

Director-General's Office	99	98
Strategic Development	151	139
Employee Services	93	75
Legal Services	35	33
	378	345

16 Net Cash Flows from Operating Activities

Reconciliation of Net Cash Flows from Operating Activities to Net Surplus/Result:

Net Surplus/Result	5,151	23,353
Plus/(minus) non-cash items:		
Depreciation	468	451
Investment Income	(32,534)	(40,304)
Superannuation Liability Adjustment	847	(1,900)
Long Service Payments Liability Expense	5,000	12,800
Net (Gain)/Loss on Disposal of Plant and Equipment	(30)	(8)
Change in Asset and Liabilities:		
(Increase)/Decrease in Receivables	781	1,174
Increase/(Decrease) in Payables	74	(159)
Increase/(Decrease) in Provisions	94	33
Net Cash Flows from Operating Activities	(20,149)	(4,560)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001**

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:

	<u>2001</u>	2000
	<u>\$'000</u>	\$'000
Cash Assets	219	708
Other Financial Assets	1,740	1,054
	<u>1,959</u>	<u>1,762</u>

18 Commitments

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

Not later than one year	300	265
Later than one year and not later than 5 years	1,289	1,143
More than 5 years	161	436
Total (including GST)	<u>1,750</u>	<u>1,844</u>

The total operating lease commitments above include input tax credits of \$139,161 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	41	19
Total (including GST)	<u>41</u>	<u>19</u>

The total operating expenditure commitments above include input tax credits of \$3,663 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	73	-
Total (including GST)	<u>73</u>	<u>-</u>

The total capital expenditure commitments above include input tax credits of \$6,673 that are expected to be recoverable from the ATO.

19 2000 Sydney Olympic Games

9 staff were directly allocated to Games activities:

Total staff costs	<u>29</u>	<u>-</u>
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001**

20 Financial Instruments

(a) Interest Rate Risk

The Corporation's exposure to interest rate risks and the effective interest rates on financial instruments at 30 June 2001 were:

	Floating Interest rate	Non Interest Bearing	Total Carrying Amount	Weighted Average Effective Interest rate
	\$'000	\$'000	\$'000	%
Financial Assets				
Cash Assets	219	-	219	5.69
Receivables	-	2,614	2,614	N/A
Other Financial Assets	389,144	-	389,144	9.00
Total Financial Assets	389,363	2,614	391,977	
Financial Liabilities				
Payables	-	449	-	N/A
Total Financial Liabilities	-	449	-	

The Corporation's exposure to interest rate risks and the effective interest rates on financial instruments at 30 June 2000 were:

	Floating interest rate	Non Interest Bearing	Total Carrying Amount	Weighted Average Effective Interest rate
	\$'000	\$'000	\$'000	%
Financial Assets				
Cash Assets	708	-	708	4.40
Receivables	-	3,395	3,395	N/A
Other Financial Assets	376,424	-	376,424	11.96
Total Financial Assets	377,132	3,395	380,527	
Financial Liabilities				
Payables	-	97	-	N/A
Total Financial Liabilities	-	97	-	

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2001**

(b) Credit Risk

The Corporation's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the balance sheet at 30 June 2001.

	Governments	Banks	Other	Total
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Cash Assets	-	219	-	219
Receivables	-	-	2,614	2,614
Other Financial Assets	389,144	-	-	389,144
Total Financial Assets	389,144	219	2,614	391,977

The Corporation's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the balance sheet at 30 June 2000.

	Governments	Banks	Other	Total
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Cash Assets	-	708	-	708
Receivables	-	-	3,395	3,395
Other Financial Assets	376,424	-	-	376,424
Total Financial Assets	376,424	708	3,395	380,527

(c) Net Fair Value

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

21 Contingent Liabilities

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

22 After Balance Date Events

The Corporation was 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

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, chaired by the Director-General of the Department of Industrial Relations. 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 legislative functions the Committee also acts as a 'Customer Council' in relation to customer service standards and helps to ensure that the quality and effectiveness of services meet customers' needs.

During 2000-2001 the Industry Committee met on six occasions. The current three year term of the Industry Committee expires on 31 July 2002.

CHAIRPERSON

Ms Kate McKenzie BA, LLB (Appointed 15 January 2001)
Director-General, NSW Department of Industrial Relations
General Manager, WorkCover Authority NSW
Committee Member, DIR WorkCover Liaison Committee
Committee Member, Industrial Relations Steering Committee
Attended 2 meetings

Mr Warwick McDonald BEc, MIR (Resigned 8 November 2000)
Director-General, NSW Department of Industrial Relations
Board Member, Australian Centre for Industrial Relations Research and Training
Committee Member, Industrial Relations Society of NSW
Chairperson, Workplace Change NSW Advisory Committee
Committee Member, Construction Industry Consultative Committee
Committee Member, Industrial Relations Consultative Committee
Attended 2 meetings

MEMBERS

MEMBERS NOMINATED BY THE LABOR COUNCIL OF 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, Building Workers' Assistance Centre Employment
Member, Construction Industry Reference Group
Executive Member, Labor Council of NSW
Trustee, Labor Council of NSW
Attended 3 meetings

Mr Russ Collison
State Secretary, AWU NSW
Attended 1 meeting

Mr Barry Brown (Appointed 1 August 2000)
State Secretary, CEPU Plumbing Division
Attended 1 meeting

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/NSW Representative, Building Apprenticeship Conciliation/Training Committees
MBA/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
Director, Allied Construction Employees Superannuation fund
Participant, Australian Traineeship System Working Party
Director, Building Workers' Assistance Centre
Attended 6 meetings

Mr Mervyn Warner Dip Personnel Admin
Personnel and Industrial Relations Manager
The Edwards Group of Companies
Chairperson, Building Apprentices Training Ltd.
Chairperson, Industrial Relations Committee, MBA of NSW
Deputy Chairperson, Safety Field Day Steering Committee
Member, Industrial Relations Society of NSW
Attended 5 meetings

Mr Barry Harridge
Deputy Director, Construction and Special Projects, Employers First
Member, Appeals Panel established under S 85, Industrial & Commercial Training Act 1989
Member, Industrial Relations Society of NSW
Attended 4 meetings

MEMBERS DIRECTLY APPOINTED BY THE MINISTER

Mr John Robertson, GradDip Employment Relations/Industrial Law (UTS)
Secretary, Labor Council of NSW
Director, Energy Australia
Director, Labor Media
Director, Labor Campaign
Director, Getonboard
Attended 3 meetings

Mr Doug Wright AM BEc, BA
Representational and Special Services, Australian Industry Group
Director, Hunter Valley Training Company Ltd
Director, WorkCover Authority of NSW
Member, ANTA National Training Quality Council
Member, ANTA National Consistency Advisory Committee
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
Attended 5 meetings

Ms Elizabeth Crouch BEc
Executive Director-NSW, Housing Industry Association
Member, Home Building Advisory Council
Member, Affordable Housing Advisory Group
Member, National Association Women In Construction
Attended 6 meetings

Mr Brian Beer
State President, Australian Manufacturing Workers Union
Member, Construction Industry Reference Group
Member, Construction Industry Training Advisory Board
Member, Mechanical & Electrical Redundancy Fund
Member, Australian Lift Industry Skills & Training Council
Member, TAFE Accreditation Council
Chairperson, Workers Health Centre
Attended 5 meetings

DEPUTY MEMBERS

DEPUTY MEMBERS NOMINATED BY THE LABOR COUNCIL OF NSW

Mr Bernard Riordan BA, LLB
Secretary, Electrical Trades Union of Australia, NSW Branch
Director, Energy Industry Superannuation scheme
Director, The National Electrotechnology Industry Training Company Ltd
Director, The Electrotechnology Industry Group Training Company Ltd
Member, Construction Industry Consultative Committee
Chairperson, Chifley Financial Services
Not required to attend any meetings.

Mr Joe Murphy (Resigned 13 March 2001)
NSW Construction Industry Convenor
AWU-FIME Amalgamated Union
Greater NSW Branch
Not required to attend any meetings.

Ms Keryn McWhinney
Senior Wage Claims Officer, CFMEU (Construction & General Division) NSW Branch
Attended 4 meetings

DEPUTY MEMBERS NOMINATED JOINTLY BY THE MASTER BUILDERS' ASSOCIATION OF NSW AND EMPLOYERS FIRST

Mr Peter Slattery Masters of Business (Employment Relations)
Employee Relations Manager – NSW Building Group
Barclay Mowlem Constructions
Attended 1 meeting

Mr Mark Vining
Human Resources Manager
Barclay Mowlem Constructions
Not required to attend any meetings

DEPUTY MEMBERS DIRECTLY APPOINTED BY THE MINISTER

Mr Christopher Christodoulou BA Ind Rel
Deputy Assistant Secretary,
Labor Council of NSW
Member, Wollongong Sportsground Trust
Member, Correction Industry Advisory Council
Member, Sydney Olympic Park Board
Not required to attend any meetings

Ms Donna King Dip HRM
Manager, Group Apprentice Scheme
Master Builders' Association of NSW
Member, Indigenous Employment Strategy Committee
Member, NSW Apprentice Conciliation Committee
Member, National Association Women In Construction
Member, TAFE Employment Selection Committee
Not required to attend any meetings

Ms Catherine Brokenborough
Site Delegate,
CFMEU (Construction & General Division)
Attended 1 meeting

APPEALS

Sections 49-54 of the Act empower 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 27 worker appeals were considered and determined as shown in the table. The Corporation did not carry out worker registration cancellations where no record of service exists for four consecutive years, consequently there were no appeals in respect of such workers.

RESULTS OF APPEALS

Appeal Against	UPHELD		DISMISSED	
	99/00	00/01	99/00	00/01
Rejected Application to Join scheme	2	3	2	5
Refusal of Service Credits	7	5	11	14
Cancellation of Registration	0	0	1	0
TOTAL	9	8	14	19

APPENDICES

	Page
1 Services Standards	34-36
2 Performance Indicators for Provision of Services	36-37
3 Consumer Response	37-38
4 Legislative Change	39
5 Freedom of Information Act (FOI) Information	39-40
6 Privacy and Personal Information Protection Act	40
7 Disability Plan	40-41
8 Women's Action Plan	41
9 Community Relations	42
10 Program Evaluation	43
11 Insurances and Risk Management	43-44
12 Waste Reduction and Purchasing Plan	45
13 Government Energy Management Policy	45
14 Information Technology	45-46
15 Occupational Health and Safety	46
16 Equal Employment Opportunity	46-47
17 Human Resources Information	48-49
18 Consultants	49
19 Code of Conduct	50
20 Annual Report Costs	50
21 Other Disclosures	50
22 Publications	51
23 Index	52

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 1441 (for the cost of a local call from anywhere in NSW). Callers from outside NSW may call toll free on 1800 426 684. Normal plan rates apply for mobile phone calls on these two contact numbers.

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

SERVICE PROVIDED	LEVEL OF SERVICE
------------------	------------------

Scheme Benefits

Written inquiries	Eligibility advice 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	Written response or advice of action being taken will be posted within 10 working days.

Scheme Members Records

Objection to accuracy of records	Where a member lodges an objection to the accuracy of their record, an acknowledgment will be posted within 30 working days. The objection will be resolved before 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.

SERVICE PROVIDED	LEVEL OF SERVICE
------------------	------------------

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.
Applications for employer membership.	Decision on eligibility will be determined within 10 working days of receipt of application with all required information. Employers will be issued with an employer information kit within 10 working days of registration being accepted.

Other Services

Inquiries in respect of financial matters concerning payment of accounts, claims and related matters	Processed within 3 working days
Turnaround of administrative payments on commercial terms	Within 30 days (In accordance with Clause 18 of Public Finance and Audit Act).

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 or 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 following persons:

In respect of scheme and related matters, the Assistant Director - Operations either by:

Fax: (02) 9246 4444
 Email: brentw@lspc.nsw.gov.au
 Post: PO Box 12
 DARLINGHURST NSW 1300

In respect of levies and finance, the Assistant Director - Support either by:

Fax: (02) 9246 4333
 Email: roberta@lspc.nsw.gov.au
 Post: PO Box 12
 DARLINGHURST NSW 1300

If customers are not satisfied with the response from an Assistant Director they may contact the Director, either by:

Fax: (02) 9246 4333
 Email: keithn@lspc.nsw.gov.au
 Post: PO Box 12
 DARLINGHURST NSW 1300

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: Committee Secretary
 13 1441
 Fax: (02) 9246 4333
 Post: Committee Secretary
 Customer Council
 PO Box 12
 DARLINGHURST NSW 1300

Appeals against decisions by the Corporation

Sections 49-54 of the Act empower 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	ACHIEVED
Turnaround of written inquiries (excluding <i>Annual Statement of Recorded Service</i> related inquiries)	Within 10 working days.	Achieved in respect of scheme inquiries. Achieved 100% within 4 days in respect of levy inquiries.
Turnaround of <i>Annual Statement of Recorded Service</i> requests to review service allocated to a member's record and related inquiries	Acknowledgment issued within 30 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.

SERVICE	TARGET	ACHIEVED
Issue of <i>Annual Statement of Recorded Service</i>	All issued by 30 November each year.	Achieved.
Turnaround of long service payments	Within 10 working days.	Achieved (Average for all payments is 4.9 working days).
Turnaround of administrative payments on commercial terms	Within 30 days (In accordance with Clause 18 of Public Finance and Audit Act).	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 (Average 0.6 days).
Training days per staff member	4 days per officer.	Average of 2.2 days per officer.
Emergency hardware/software problems responded to within 1 hour	90%.	Achieved.
Standard hardware/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 3 working days.	Achieved target 83% of time. Achieved 100% within 4 working days during peak document lodgement periods.

Appendix 3

CONSUMER RESPONSE

The Corporation regularly briefs the independent Industry Committee (Customer Council) on its achievement of operational performance indicators. Additionally, the Industry Committee reviewed

and endorsed major Corporation business initiatives. Consultation also occurred with building industry unions and employer organisations as well as members of the Industry Committee on particular issues and to ensure that policies and practices were appropriate.

The Corporation continued education and marketing to registered workers and employers to ensure that the legislative compliance requirements were well explained, so as to enable workers to apply for all benefits for which they are eligible. Several mail-outs occurred to employers with compliance and other information included. Registered workers were provided with an *Annual Statement of Recorded Service* with explanatory materials and information about the scheme and recent developments.

The presence of the Corporation in the industry was assisted through a Combined Industry Group safety site poster, which was distributed to all large construction sites. Additionally, a new Corporation site poster has been developed, which also includes promotion in community languages of the availability of a telephone translation service. Field educational visits to employers and workers have been significantly increased particularly in rural and regional areas, including the Central and Far West, South Western, Illawarra, Mid North Coast and Northern districts of NSW, Queanbeyan and Newcastle as well as to Melbourne and Brisbane for employers with interstate head offices.

The Corporation has continued to promote the telephone Helpline' in all communications with scheme members and employers. Improvements to the telephone Helpline' service have been sought through surveys of calls and classifying of caller issues, which enables focused staff training and better allocation of staff resources in peak periods.

A market research survey involving both workers and employers was initiated in May 2001 to gain information about employer and worker perceptions and awareness relating to the scheme and the Corporation. The results of this research are expected to be available by September 2001.

Legislative changes operating from 1998 requiring employers to register workers appear to have been successful with the numbers of workers being registered each subsequent year remaining at about twice the level prior to the legislative change.

Customer Complaints

During the year there were nine representations to the Minister (compared with twelve in 1999-2000), relating mainly to cancelled registrations, backdating of registrations, recording of service and exemptions from the long service levy. In relation to the cancelled registrations and backdating of registrations, the provisions of the Act were explained to complainants. Similarly, complainants in respect of recording of service were advised of legislative requirements relating to eligible work for the scheme. Complainants in respect of the payment of the long service levy were advised of the legislative requirements and were made aware, if appropriate, of the provisions for partial exemptions from payment of the levy.

Seven complaints were received by way of the Corporation's formal complaints mechanism that is in place. These related to issues of customer service and long service payment calculations. Appropriate action was taken under the complaints handling procedures to address each issue.

The formal complaints mechanism also 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. The Corporation provided information on the guidelines that it is observing for protecting private and personal information in the *Annual Statement of Recorded Service* package of information, which was issued to all workers with current addresses. Information was also provided to employers in the Corporation's newsletter, which was issued in November 2000.

Appendix 4

LEGISLATIVE CHANGE

Building and Construction Industry Long Service Payments Regulation 1995

The Building and Construction Industry Long Service Payments Regulation 1995 expired on 31 August 2000 in accordance with provisions of the Subordinate Legislation Act 1989. New draft regulations were prepared together with a regulatory impact statement and invitations to comment on both were published in the Sydney Morning Herald and the NSW Government Gazette on 23 July 2000 as well as being sent to industry organisations. The new regulation titled 'The Building and Construction Industry Long Service Payments Regulation 2000' came into effect upon expiry of the previous regulation.

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 all Agencies are published in the Government Gazette and in respect of the Corporation were published in the Government Gazette No 172 of 29 December 2000 and No 105 of 29 June 2001.

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

The FOI Coordinator
PO Box 12
DARLINGHURST NSW 1300

or lodged on
Level 4
1 Oxford Street
DARLINGHURST NSW 2010
between 8.30 am and 5.00 pm Monday to Friday.

Freedom of Information (FOI) Requests

	Agency 968				Agency 1682			
	2000-2001		1999-2000		2000-2001		1999-2000	
	Personal	Other	Personal	Other	Personal	Other	Personal	Other
Total FOI requests to be processed	0	0	0	0	0	0	0	0

There were no FOI requests in 2000-2001 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 1999-2000 or 2000-2001.

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 sources, purposes and authority for collection of personal data was also supplied to the Privacy Commissioner.

The Corporation has amended a number of procedures, particularly those associated with its telephone 'Helpline' service to ensure the requirements of the Act are complied with. These are detailed in the Corporation's Privacy Management Plan. All staff of the Corporation received training in the plan, the amended procedures and in the taking of privacy complaints prior to 30 June 2000. In June 2001 a further series of training courses were conducted for all staff and managers. The Corporation is monitoring the Plan and will conduct regular reviews.

The Privacy and Personal Information Protection Act does not apply in respect of information requests to the Corporation under a variety of State and Federal legislation for such matters as taxation, child protection, outstanding debts and family law. The Corporation complies with the requirements of such legislation in respect of any information provision.

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 adopted were to:

- monitor and review access by people with disabilities to Corporation services and facilities, and;
- investigate/develop options for improving employment opportunities at the Corporation for people with disabilities.

Access

The Corporation's premises located at 1 Oxford St. Darlinghurst, which is administered by State Property Services, provide wheelchair access, toilet facilities and lift facilities that comply with requirements. Furniture arrangements implemented in the Corporation's foyer area conform to the experience gained over the years and include a stand-up counter to enable members 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, when a disability occurs to a worker in the industry, the scheme allows access to accrued benefits and in some circumstances, continuation of the recording of service credits whilst the worker is unable to work as a result of the disability. Grants of service for medical reasons were improved from 110 days per annum to

220 days per annum in 1998-99, as a result of legislative changes commencing 1 July 1998. In 2000-01, 714 grants of service on medical grounds were made totalling 197,551 days and 476 long service payments totalling \$973,000 were paid to members who became totally incapacitated for work in the industry and were forced to leave the industry.

Employment

The Corporation currently employs 8 staff identified as having physical disabilities, which is about 14 percent of total staff members. EEO strategies ensure that staff have access to career development and training to enhance their prospects for promotion.

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. Legislative amendments include provisions to help preserve women's registrations in the scheme if they are pregnant.

Staff

The Corporation receives services from the NSW Department of Industrial Relations (DIR) in respect of women's matters. A number of women's activities are organised in conjunction with the Corporation. The DIR Spokeswomen's Program includes information sessions for women employees to assist them combining work and family commitments and provides financial and career planning information. The Corporation has an elected Spokeswoman, who attends the Spokeswomen's meetings and acts for women employed in the Corporation. Activities conducted by spokeswomen group in 2000-2001 included celebration of International Women's Day, toy and food collection drive over Christmas and various talks by experts.

A focal point within the Corporation has been to create awareness of flexible work practices available and their benefits and ways to negotiate them with managers. The Corporation has continued flexible working arrangements that provide a wider bandwidth, no core time and provide for up to three flex-days in a six-week period. A number of women staff members are currently using the flexible hours to successfully meet work as well as family commitments. Other initiatives negotiated have included job sharing combined with part-time leave without pay to facilitate working while managing family commitments.

Appendix 9

COMMUNITY RELATIONS

Progress against the various Key Result Areas is shown below:

Key Result Area	Achievements to date
<p>Social Justice Providing an efficient and equitable scheme of portable long service benefits for the construction industry</p>	<ul style="list-style-type: none"> • 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. • An information sheet, in eleven community languages, on the availability of the translation service and how to respond to the <i>Annual Statement of Recorded Service</i> was forwarded to 207,000 workers together with their annual statements in October/November 2000. • Basic scheme information brochures in fourteen community languages are available to assist workers to register. • Legislative requirements introduced in 1998 to ensure employers register their workers with the Corporation (thus ensuring workers with low English proficiency have access to the scheme) appear to have been successful. Statistics indicate significantly increased numbers of workers being registered and the increased levels have been maintained. • The Corporation reviewed its 'Information for Registered Workers' booklet and commenced action to have it translated into fourteen community languages.
<p>Social Justice All relevant contracts require contracting party to meet EEO practices in relation to that contract.</p>	<ul style="list-style-type: none"> • The Corporation has a major contract for data entry work, which was negotiated in conjunction with the State Contracts Control Board, and includes provisions that EEO requirements will be complied with.
<p>Community Harmony Continuous improvement in service design/delivery management and work practices. Implementation of EEO Management Plan and equity and access plans</p>	<ul style="list-style-type: none"> • Managers have been trained in grievance and complaint handling. • 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, acting and career development opportunities.

Priorities for 2001-2002:

Initiatives include dissemination of a site poster with short messages in target community languages and issuing detailed worker information on the scheme in fourteen community languages, which have been identified as most representative of the building industry.

Appendix 10

PROGRAM EVALUATION

The Corporation uses the NSW Internal Audit Bureau for the provision of internal audit services and maintains a rolling three-year audit plan, which is reviewed annually. The audit approach has a strategic and risk focus which ensures a continuous audit presence in core areas of the Corporation's business (ie long service payments, individual service records and levy revenue) and regular audit of other areas. In 2000-2001 key areas audited were - revenue/levy system, long service payments, database of workers' service, fixed assets, insurance compliance and data handling in information technology area. Audits indicated that effective controls were in place which ensure accuracy, proper documentation and adherence to delegations and policy. The reports further noted that previous recommendations had been implemented.

Appendix 11

INSURANCES AND RISK MANAGEMENT

a) Insurances

The Corporation had the following insurance policies in place for 2000-2001 period:

- **Industrial Special Risk**
Physical loss, destruction of, or damage to all furniture and equipment (excluding computer equipment), and increased cost of working due to physical loss or damage to property.

Current cover: \$3,200,000.

- **Public Liability**
All sums which the Corporation becomes liable to pay compensation in respect of:

(a) Bodily injury
(b) Damage to property

Current cover: \$10,000,000.

- **Motor Vehicles**
Loss or damage to vehicles.

Current cover: Market value of vehicle
 Liability to others \$20,000,000.

- **Fidelity Guarantee**
Any loss of money securities and/or other property the Corporation might sustain through acts of fraud or dishonesty committed by an employee.

Current cover: \$1,000,000 per person
 \$1,000,000 in the aggregate of any one employee/all employees. Claim preparation costs \$10,000.

- **Electronic Equipment:**
Physical loss, destruction of or damage to computer equipment and software.

Current cover:	Physical damage	\$ 1,400,000
	Breakdown	\$ 1,000,000
	Data carrying media	\$ 200,000
	Air conditioning	Included in breakdown figure.
	Data restoration	\$200,000

- **Corporate Travel**
Travel undertaken on business involving intra-state / inter-state destinations or a destination beyond the territorial limits of Australia.

Current cover \$1,000,000

b) Workers Compensation

The Corporation maintains Workers' Compensation Insurance at the required levels and has an active Occupational Health and Safety Committee as reported in Appendix 15.

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 risks 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 aspects are regularly comprehensively reviewed by a cycle of risk focussed internal audits which cover investments, accounts payable, revenue collection, long service payments, asset security, accuracy of worker records, computerised business applications input and output controls, purchasing and tax compliance. 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.

d) Business Continuity Plan

The Corporation's contingency and disaster recovery plan was independently certified as adequate for business recovery in terms of the identified risks in 1998-1999. Recovery from backup tapes has been successfully performed on all aspects of the Corporation's computer systems in recent times and this aspect will be readily transferred to the disaster recovery plan. Audits of the information technology area have recommended updates of the business continuity plan to reflect hardware and business changes, the implementation of a new back-up site and regular testing and documentation of systems restoration from backup tapes. These actions will be implemented in 2001-2002.

The Corporation continues to store supplies of its brochures, worker and employer related stationery off-site with service providers. This will assist the Corporation to resume its business in the event of any major disruption event.

Appendix 12

WASTE REDUCTION AND PURCHASING PLAN

The Corporation uses considerable quantities of paper and mailing materials to maintain contact with scheme members and employers. The Corporation has actively supported recycling for a number of years and, for stationery and copy paper requirements, uses virtually totally Australian-made paper, which is manufactured from 100% recycled waste paper or fibre. All envelopes used are 70 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 toner cartridges. In addition, the introduction of the option of electronic lodgement of service records by employers has the potential to have a significant impact on waste reduction in future years.

The Corporation has submitted a Waste Reduction and Purchasing Progress Report/Plan to the Environment Protection Authority (EPA) in accordance with Government Policy, and has agreed to being cited as a case study for a small organisation on the EPA Waste Management website.

Appendix 13

GOVERNMENT ENERGY MANAGEMENT POLICY

The Government Energy Management Policy was put in place in November 1998. Energy reduction strategies are in place and include:

- motion detector activated light switches in enclosed areas;
- modern computer & photocopying equipment with sleep modes if not used for any period;
- staff procedures to turn off computers, monitors and photocopiers at night.

The Corporation has used medium size vehicles, which due to their fuel economy are not considered economic for conversion to alternative fuels. In June 2001, two medium cars were replaced with small cars more suited to city driving, which will reduce petrol consumption. Three other cars are due for replacement early in 2001-2002 and will be similarly replaced by small vehicles.

The Corporation has installed dedicated electricity meters for its tenancy to better monitor and control its use of electricity and will continue to incorporate best energy usage practice, consistent with its business, in its energy usage plan and energy consumption monitoring.

Appendix 14

INFORMATION TECHNOLOGY

The Corporation maintains extensive computer infrastructure to support its business functions and to provide staff with access to office and other corporate applications and to the two main computerised business systems, the levy system and the worker service records system.

The Corporation's GST implementation was finalised and certified as operational by June 2000 and no problems subsequently occurred.

Other significant actions undertaken during the year included:

- undertaking a hardware upgrade to the computerised levy system;
- incorporating additional hardware to provide redundancy of switches and firewalls for emergency requirements;

- preparations for electronic lodgement of service documents by selected employers involving identifying issues for further development action and briefing potential participants;
- progressing the development of a new conceptual design for the complete redevelopment of the worker system application based on a risk management business approach;
- upgrading and replacement of desktop PCs to maintain operational efficiency;
- extending the functionality of the corporate intranet;
- progressively updating the contents of the Corporation's website.

Appendix 15

OCCUPATIONAL HEALTH AND SAFETY

The Corporation's Occupational Health and Safety Committee consists of two management members and four staff representatives. The Committee met on 3 occasions during 2000-2001. Elections were held for another employee representatives in January 2001, when the position became vacant relevant OH&S Committee training was subsequently arranged for the new representative. Regular workplace inspections have been conducted and no major safety issues were identified within the tenancy. Problems with the lifts in the common areas have been consistently reported to the building management and building management commenced an upgrade of all lifts in the building in August 2001.

As the Corporation has engaged a number of new staff, the Commonwealth Rehabilitation Service was again engaged to advise staff on how to set up and adjust their workstations and chairs. The Corporation purchased new ergonomic chairs for all staff and has made available a number of ergonomic accessories (such as document holders, glide mats etc) to reduce the risk of injuries in the workplace. Nine officers nominated and attended training in manual handling.

Emergency evacuation procedures are in place and are current. Two fire evacuation drills were conducted during the year, which included special procedures for staff with disabilities. All new staff are instructed in emergency procedures and the locations of the emergency exits on commencing duty. Six fire wardens were appointed 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 bomb threats and earthquakes.

There were two Worker's Compensation claims during the year, neither of which involved injury in the workplace. Both were journey related.

Under a service agreement with the Department of Industrial Relations, staff are provided with access to an employee assistance program, for confidential counselling for themselves and/or their families when required.

Appendix 16

EQUAL EMPLOYMENT OPPORTUNITY

A number of staff movements occurred between generic positions to broaden individual work experience and skills and facilitate opportunities for promotion.

Two officers were approved to take up temporary appointments in other departments to further their career development opportunities. One has since obtained a promotion elsewhere in the Public Service.

The Corporation was represented on an Equal Opportunity Task Force of the Department of Industrial Relations.

The current staff profile meets or exceeds EEO Management Plan targets in all areas. Over 85% of staff within the Corporation have historically provided information for EEO purposes for the staff profile. Some data may have been distorted in order to protect individual's privacy, whilst endeavouring to maintain the integrity of final totals. An EEO survey of staff was conducted early in the financial year.

No grievances were lodged during the year.

REPRESENTATION AND RECRUITMENT OF ABORIGINAL AND TORRES STRAIT ISLANDER EMPLOYEES AND EMPLOYEES WITH PHYSICAL DISABILITY (Permanent appointment)

	As at 30.6.99			As at 30.6.2000			As at 30.6.2001		
	Total	ATSI	PWPD	Total	ATSI	PWPD	Total	ATSI	PWPD
Total employees	55	0	5	58	0	7	57	1	8
Recruitment	11	0	1	9	1	0	9	-	1

ATSI = Aboriginal and Torres Strait Islander Employees.

PWPD = People with a Physical Disability likely to last 2 or more years.

Information in this table was provided by way of confidential survey and on the basis of voluntary disclosure.

Last survey conducted June 2000.

REPRESENTATION OF EEO TARGET GROUPS WITHIN LEVELS (A&C Award Equivalent Salaries)

Level	As at 30.6.99			As at 30.6.00			As at 30.6.01		
	Total	Women	NESB	Total	Women	NESB	Total	Women	NESB
Gde 1-2	8	5	3	8	5	4	8	5	4
%		62.5%	37.5%		62.5%	50%		62.5%	50%
Gde 3-5	28	16	5	29	15	3	27	15	2
%		57.1%	17.9%		51.7%	10.3%		55.6%	7.4%
Gde 6-9	11	4	4	13	5	4	14	4	4
%		36.4%	36.4%		38.5%	30.8%		28.6%	28.6%
Gde 10-12	7	4	3	7	4	3	7	4	3
%		57.1%	42.9%		57.1%	42.9%		57.1%	42.9%
Above Gde 12	1	0	0	1	0	0	1	0	0
Total	55	30	15	58	29	14	57	27	11
%		54.5%	27.3%		50%	24.1%		47.4%	19.3%

Notes:

NESB = Non English Speaking Background.

The Table only shows grades actually employed within the Corporation.

Note: EEO Statistics are subject to information volunteered by staff and figures have been distorted to protect anonymity, whilst reflecting valid final totals.

Statistics do not include agency staff included in EFT figures reported in Appendix 17.

Appendix 17

HUMAN RESOURCES INFORMATION

During 2000-2001 recruitment action occurred to fill vacant positions. Pending recruitment occurring the Corporation utilised agency personnel. The Corporation's Information Technology area has been enhanced in light of changing business needs with an additional position created and filled to meet the need for undertaking documentation. Two positions of Senior Customer Services Officer Clerk Grade 5-6 were created in the Operations area to provide support and guidance to frontline staff.

	EFT* 1997-98	EFT* 1998-99	EFT* 1999-00	EFT* 2000-01
Number of staff employed	52.5	56.8	58.6	58.6

*EFT equals equivalent full-time permanent/temporary officers employed on average during the year (including those on normal recreation/sick/extended leave) and agency staff but excludes officers on leave without pay or secondments to other agencies.

Work practices/industrial relations

Staff and management representatives attended the Department of Industrial Relations Peak Consultative Committee meetings, which provides the major forum for union consultation. No significant issues arose in relation to the Corporation. The Cullen Egan and Dell job evaluation system is being introduced and the Corporation has nominated two officers to train and be involved in the process.

Training and development

In 2000-2001 the thrust of training was focused on computer skills, privacy and safety training. Over 125 person days of formal training were provided (including time for personal studies) an average of 2.2 days per officer, apart from 'on the job' training of new staff.

Other training emphasis included staff induction training and courses relating to Corporation processes, accountancy topics, e-commerce, internal security and affirmative action related topics.

APPOINTMENTS

		1997-98	1998-99	1999-00	2000-01
Non Promotional (Base Grade)	Permanent	-	-	-	-
	Temporary	-	-	-	-
Promotional Positions	Permanent	25	12	9	4
	Temporary	6	-	-	-
Total		31	12	9	4

BREAKDOWN OF PROMOTIONAL RECRUITMENT

	1997-98	1998-99	1999-00	2000-01
Applicants outside the Public Sector	7	3	-	-
Applicants within the Corporation	8	1	-	1
Applicants from other Public Sector Organisations	16	8	5	3
Total	31	12	5	4

SEPARATIONS

	1997-98	1998-99	1999-00	2000-01
Resignations Permanent Officers	1	2	-	-
Separations Temporary Officers	1	-	-	-
Transfers on Grade within Public Sector	-	-	2*	1
Promotions to other Public Sector Organisations	-	2	4*	4
Voluntary Redundancy	-	-	-	-
Retirement	-	2	-	1
Total	2	6	6*	6

* Includes officers on promotional secondments

CHIEF AND SENIOR EXECUTIVE OFFICERS

	1997-98	1998-99	1999-00	2000-01
SES Officers	1	1	1	1
Number of Female SES officers	-	-	-	-
Number of SES officers at Level 5 and above	-	-	-	-

COMPARISON OF STAFF LEVELS

	EFT* 1997-98	EFT* 1998-99	EFT* 1999-00	EFT* 2000-01
Senior Executive Service	1	1	1	1
Clerk Grade 9-12	6	7	6.5	7
Clerk Grade 5-8	15	15	14.25	14
Clerk Grade 1-4	22	27	33.1	35.2
Clerical Officer Grade 1-2	-	-	-	-
Temporary contracting staff	8.25	6.8	3.75	1.4
Total	52.5	56.8	58.6	58.6

*EFT equals equivalent full time 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 2000-2001 to provide an update on the actuarial review of the sufficiency of the fund at a cost of \$1,966.

Appendix 19

CODE OF CONDUCT

The Corporation applies the Code of Conduct of the NSW Department of Industrial Relations. This can be viewed on their Internet site and is accessible by direct link from the Corporation's Internet site at <http://www.lspc.nsw.gov.au>.

Appendix 20

ANNUAL REPORT COSTS

Three hundred and fifty copies of the Annual Report were printed at a total cost of \$2,420 including artwork and printing.

Appendix 21

OTHER DISCLOSURES

- The Corporation has no subsidiaries and has not entered into joint ventures or partnership 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.
- The recommendations of the Royal Commission into Aboriginal Deaths in Custody are not applicable to the Corporation.

Appendix 22

PUBLICATIONS

Publications available from the Corporation include:

- Annual Report. ☒
- Employer information brochure including registration form.
- Worker information brochure including registration form.
- Information for workers (including self employed) in Arabic, Chinese, Croatian, Greek, Italian, Japanese, Khmer, Korean, Persian, Portuguese, Serbian, Spanish and Vietnamese.
- Building and construction industry rostered day off calendar.
- Information for worker members booklet.
- Building and construction industry wall planner calendar. ☒
- Employer newsletter 2000. ☒
- 'Information '2000' – information newsletter for workers. ☒
- Information Sheet W001 - 'When You Can Claim a Benefit'
- Information Sheet W002 - 'National Agreement on Long Service'
- Information Sheet W003 - 'Recording Service Before 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 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?'
- Levy collection agent manual (for councils only).
- Counter Stand – partial exemption information (for councils only).
- Levy poster (for councils only).
- Scheme Helpline poster. ☒
- Scheme site visit Poster.
- 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.
- Claims forms for all Section 28 situations for claiming a long service payment.
- Employer Application for Worker Registration Form.
- Applications for special service credits.
- Record Update and Inquiry form.
- Request for voluntary cancellation. ☒

☒ New publication or form introduced in 2000-2001

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

INDEX

	Page
Access	3
Activities and achievements	6-7
After balance date events	28
Objectives of the Corporation	5
Annual report costs	50
Appeals	32
Assets	14
Audited accounts	14-28
Audit opinion	13
Budgets	11
Charter	3
Code of conduct	50
Consultants	49
Consumer response	37-38
Controlled entities	50
Corporate plan	5
Director's report	2
Disability plan	40-41
Community Relations	42
Equal employment opportunity information	46-47
FOI information	39
Funds granted to non-government community organisations	50
Government energy management policy	45
Grants to non-government community organisations	50
Human resources information	48-49
Industry Committee Members	29-32
Insurances	43-44
Implementation of recommendations of Royal Commission into Aboriginal deaths in Custody	50
Investment management performance	10
Land disposal	50
Legislative change	39
Letter of submission	inside front cover
Liability management performance	9
Major highlights compared to previous years	8
Management activities (improvement plans and achievements)	6-7
Management and structure	4
Notes to audited accounts	17-28
Occupational health and safety	46
Overseas visits	50
Performance indicators for provision of services	36-37
Priorities for 2001-2002	7
Privacy and Personal Information Protection	40
Publications	51
Program evaluation	43
Recycling activities	45
Research and development	50
Review of operations	6-8
Risk management	43-44
SES information	49
Subsidiary company disclosure	50
Sydney Olympics	26
Time for payment of accounts	10
Waste Reduction and Purchasing Plan	45
Women's action plan	41

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