LONG SERVICE
BUILDING & CONSTRUCTION

2003-04 Annual Report

BUILDING AND CONSTRUCTION INDUSTRY LONG SERVICE PAYMENTS CORPORATION

Hon John Della Bosca MLC
Special Minister of State
Minister for Commerce
Minister for Industrial Relations
Assistant Treasurer
Minister for the Central Coast
Parliament House
Macquarie Street
SYDNEY 2000

Dear Minister

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

The report for the year ended 30 June 2004 has been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Annual Reports (Statutory Bodies) Act 1984 and the associated regulations.

Yours sincerely

Jon Blackwell
Chief Executive Officer
WorkCover NSW

28 October 2004


SUPER BOOM

ISSN 1320-9515

LONG SERVICE
BUILDING & CONSTRUCTION

Annual Report 2003-04

Director's report

This was another year of significant milestones and records. Over 100,000 long service payments worth nearly $350 million have now been paid by the scheme since it commenced in 1975. Another $350 million is held awaiting payments being sought by workers. These figures confirm the continuing relevance and significance of the scheme.

The 13 14 41 telephone Helpline service received a record 102,000 calls this year which substantiates its importance and acceptance. Of all contacts with the Corporation 89% now occur through the Helpline.

The significance of the internet as an emerging service channel is reflected by growth of over 100% in visits made to the Corporation's site. The use of other electronic services is also increasing significantly.

Employer advices of service for workers were a record 144,000. Compliance activities, to assist employers, was the highest undertaken by field staff for 12 years.

The introduction of redeveloped information material on all aspects of the scheme achieved a significant increase in scheme awareness and compliance with scheme requirements.

The findings of a number of market surveys that have been undertaken and extremely low numbers of complaints and appeals in relation to decisions of the Corporation continued to indicate industry and member satisfaction with the scheme and its administration. However, the Corporation has not been complacent with changes and improvements occurring across many areas. There is now particular cognisance being taken of the economic situation and the possibility of an industry downturn and its impact.

The Corporation has commenced the most substantial project undertaken for many years to completely redevelop the computerised worker registry system. The current system has supported the scheme since the mid 1980s. The redeveloped system will include integrated electronic document and records management as well as internet service options.

A major challenge in recent years has been the financial management of the scheme due particularly to the impact of negative investment earnings in 2001-02 and 2002-03. The funding position improved substantially in 2003-04 with investment earnings of $54 million, the highest since 1997-98, and a levy revenue increase to $38 million being a record level. Accumulated funds in excess of all known liabilities were $12 million as at 30 June 2004. A full actuarial investigation of the scheme is to be undertaken as at 30 June 2004 to confirm the sufficiency of the fund and the continuing adequacy of the levy rate.

The Corporation is very appreciative of the support provided by various service arrangements and partnerships including levy collections through local councils across the whole State and supply of both information and communication technology as well as human resources services from WorkCover NSW, legal services from the Office of Industrial Relations and internal audit from the Internal Audit Bureau.

The Corporation values the advice and support of the industry and the Industry Committee over the year in areas of scheme management and particularly the consideration of potential scheme administration changes.

Finally, and most importantly, the continued professionalism of Corporation staff has again been paramount in achieving our service to the industry and to workers, employers and levy payers and is gratefully acknowledged.

Keith Napper Director

LONG SERVICE
BUILDING & CONSTRUCTION

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

Head Office:	Ground Floor, Corner Donnison and Baker Streets GOSFORD NSW 2250
Branch Office:	Level 1, 10-12 Railway Street LIDCOMBE NSW 2141
Mail:	Locked Bag 3000 Central Coast MC NSW 2252
Telephone:	13 14 41 (local call rates) For calls from mobile phones the usual plan rates apply
Fax:	(02) 9287 5685 (24 hours)
Internet Address:	http://www.lspc.nsw.gov.au
E-mail:	info@lspc.nsw.gov.au
Hours:	8.30 am to 5.00 pm Monday to Friday

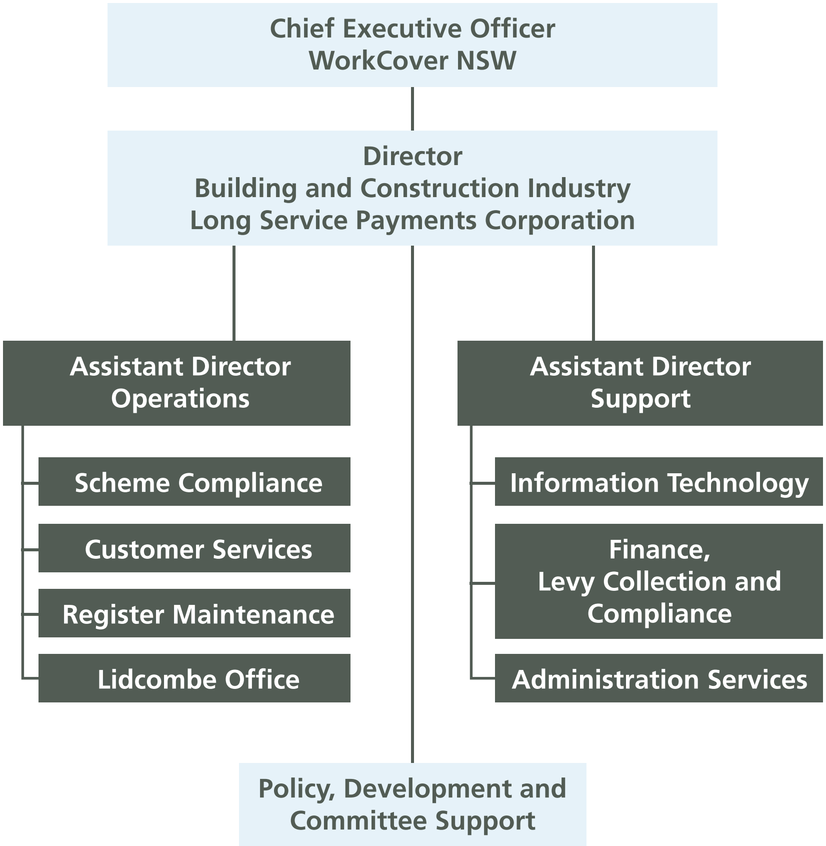
Role of the Corporation

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

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

Before July 1986 the scheme was funded by a charge on employers. From July 1986, the Building and Construction Industry Long Service Payments Act 1986 provided that the funding would come from a levy on building and construction work. The levy is currently 0.2% on building and construction work costing $25,000 or more with most local councils acting as agents to collect the levy for the Corporation. The Corporation provides a service to some 246,000 registered workers and more than 30,000 registered employers in building and construction work in NSW. Activities include the keeping of records of service of workers, the provision of long service benefits to workers and employers and the collection of levies on building work.

Organisation structure



Principal officers

Mr Jon Blackwell BA, MA
Chief Executive Officer, WorkCover NSW
Statutory Head of Corporation (from 1 January 2004)

Ms Kate McKenzie BA, LLB
Director-General, Department of Commerce
Statutory Head of Corporation (until 31 December 2003)

Mr Keith Napper BCom, CA
Director

Mr Brent Weiley
Assistant Director – Operations

Mr Robert Armstrong BSc
Assistant Director – Support

Corporate Plan 2002-05

Our Mission and Purpose

To deliver industry-based benefits

Our Vision

To provide cost effective and quality services

Our Values

Be Professional
Show Respect
Earn Trust
Be Honest
Be Fair

Our Objectives and Our Strategies

OBJECTIVE 1	**Intended beneficiaries receive their rights and entitlements.**	
	Strategies	• Provide accurate and consistent information services. • Conduct compliance programs for coverage and service accrual. • Conduct promotional activities within the industry.
OBJECTIVE 2	**Financial viability is maintained.**	
	Strategies	• Provide accurate and consistent information services for levy collections. • Conduct promotional activities in relation to levy collections. • Maintain consistency of investment objectives with fund liabilities. • Assess appropriateness of actuarial advice. • Maintain cost effective outsourced services.
OBJECTIVE 3	**Service delivery.**	
	Strategies	• Utilise contemporary technologies in service delivery and information management consistent with all legislation and Government policy. • Continuously improve efficiency of scheme administration.
OBJECTIVE 4	**Informed and trained staff.**	
	Strategies	• Address training and development needs. • Provide feedback on performance to workgroups and individuals. • Maintain appropriate organisational design.
OBJECTIVE 5	**Minister is kept informed.**	
	Strategies	• Provide information and advice. • Conduct research and analysis. • Maintain information networks in the industry.

Management improvements and achievements

Corporate priority achievements

Scheme services

- Processed payments to the value of $36.5 million, the highest on record, to 8,224 workers.
- Managed a record 102,000 telephone Helpline calls which is a 12% increase on 2002-03. Calls answered within two minutes of coming on the Helpline queue was the highest ever level of 77%.
- Comprehensively redeveloped all information material on the scheme, including Annual Statement of Recorded Service material for workers, in a new consistent and contemporary presentation to further improve scheme awareness and encourage workers to check the accuracy of their records.
- Undertook market surveys in the three areas of Helpline usage, worker satisfaction with their Annual Statement of Recorded Service package and employer satisfaction with scheme services. The employer survey was a course project undertaken as a consultancy by final year undergraduate marketing students at the University of Technology Sydney. There was positive feedback with no significant adverse conclusions from the surveys, however, a number of the recommendations will be adopted.
- Promoted and extended electronic services achieving a 57% increase in worker service advices lodged electronically by employers with 14% of all employer service advices being received electronically in 2003-04. Internet site usage has also doubled.
- Significantly increased site visits by field officers as part of a 25% increase in field service activities.
- Initiated a major increase in levy compliance activities.

Shared service partnerships

- Established a new three-year agreement for the provision of human resource and payroll services with WorkCover NSW with performance and development under the agreement being closely monitored.
- Established an information and communication technology agreement with WorkCover NSW with performance and development being closely monitored and a major review initiated to improve the agreement.

Financial management

- Achieved accumulated funds of $12 million in excess of all known liabilities for the scheme as at 30 June 2004. Investment earnings reached their highest level since 1997-98 (after two years of negative earnings in 2001-02 and 2002-03) and record levy revenue collections were also achieved. A full actuarial investigation will be undertaken to confirm the funding situation and the continuing adequacy of the levy rate.

Computerised business systems

- Established a new intranet with contemporary content management capability to better support customer service and the telephone Helpline as well as addressing some business continuity issues.
- Undertook significant enhancement to the levy collection system to improve information for compliance and enable electronic lodgement of financial information by councils.
- Implemented worker registry enhancements to better manage and review employer registrations and also establish an objective risk rating system for targeting employers and workers for compliance audits.

Other achievements

Internal audit

- Undertook a comprehensive risk assessment of the Corporation as the basis for a new audit program and improved risk management by the Corporation.

System and scheme redesign and redevelopment

- Initiated a major project to completely redevelop and redesign the worker registry processes and systems that will encompass new arrangements to improve accuracy of employer provided worker service advices, electronic document and records management, internet service options as well as enhanced business continuity capabilities.

Community relations

- Initiated a community languages advertising program with advertisements promoting key employer obligations appearing in fourteen community language newspapers.

Corporate priorities for 2004-05

- Substantially progress the complete redevelopment of the computerised worker registry system.
- Implement a review of the corporate staff structure to facilitate the implementation of the redeveloped system.
- Initiate a refocus on customer service by implementing a new suite of customer service training courses for staff.
- Engage actuaries to undertake an evaluation of the sufficiency of the fund and the adequacy of the long service levy rate.

Comparison of major operational performance statistics

Activity and/or administrative function	2000-01	2001-02	2002-03	2003-04
Long service payments made to workers	8,355	7,724	7,487	**8,224**
Value of long service payments made	$34.7M	$32.4M	$31.3M	**$36.5M**
Cumulative number of payments since scheme began	82,250	89,974	97,461	**105,685**
Cumulative value of payments made since scheme began	$249.1M	$281.5M	$312.8M	**$349.3M**
Number of payments in conjunction with interstate schemes	353	363	320	**343**
New worker registrations approved	22,588	19,715	23,053	**29,688**
Number of workers excluding those identified for cancellation	218,719	238,434	235,760	**246,108**
Workers identified for cancellation – see note below	65,046	65,653	86,484	**102,198**
New employer registrations approved	2,975	2,825	2,965	**3,351**
Total number of registered employers	31,319	32,365	29,540	**30,452**
Employee Certificates of Service received	139,337	128,934	128,165	**144,008**
Self Employed Worker Certificates of Service received	35,071	32,116	34,252	**37,438**
Annual Statements of Recorded Service (SRS) issued	206,992	218,044	225,339	**241,146**
Requests to review service recorded in SRS	2,466	1,970	1,969	**3,517**
Employer advisory and audit visits made	1,490	1,097	1,958	**2,453**
TAFE talks to second year apprentices	104	235	261	**718**
Telephone 'Helpline' inquiries	88,444	80,371	90,999	**101,947**
Written inquiries	9,648	7,928	7,909	**7,279**
Counter inquiries	2,932	2,116	2,178	**2,105**
Levy exemptions approved	1,209	1,473	1,135	**1,109**
Levy refunds approved	1,696	1,627	1,597	**1,852**
Levy payment by instalments approved	9	10	16	**9**
Total funds invested	$389.1M	$369.8M	$356.0M	**$403.1M**
Actuarial estimate of scheme liabilities	$302.0M	$358.4M	$363.2M	**$393.6M**
Investment income	$32.7M	($8.8M)	($6.5M)	**$53.9M**
Long service levy income	$19.7M	$29.6M	$33.7M	**$38.0M**
Net administration costs	$7.8M	$8.1M	$9.9M	**$8.1M**

Note: The numbers of workers 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 2003-04 financial year, net revenue from all sources amounted to $92.0 million and expenditure amounted to $75.0 million, resulting in an operating surplus of $17.0 million. The variance of $39.3 million between the actual operating surplus of $17.0 million and the budgeted operating deficit of $22.3 million was mainly due to the net outcomes of the following:

- Investments continue to be predominantly placed in the NSW Treasury Corporation Long Term Growth Facility. Investments provided a gain of $53.9 million compared to a budgeted gain of $27.7 million.
- Levy Income of $38.0 million exceeded the budget by $8.0 million due to an increase in receipts from Crown Bodies and increased building and construction activity.
- The total of scheme administration costs was $2.3 million less than budget due to savings on staffing, occupancy costs, the establishment of shared partnership arrangements with WorkCover NSW and a superannuation funding adjustment.

Financial position

- The principal assets continue to be long-term investments of $399.7 million and the principal liabilities are the estimates for the Provision of Scheme Liabilities that total $393.6 million as assessed by actuarial consultants.
- Retained earnings increased by $17.0 million from an accumulated loss of $5.0 million at 30 June 2003 to an accumulated surplus of $12.0 million as at 30 June 2004.

Capital expenses

The Corporation's capital budget of $1.5 million was for the redesign and enhancement of the Corporation's computerised worker registry system, and other minor office equipment, computer equipment and motor vehicle purchases. The Corporation incurred expenditure on the following capital items during the financial year.

	Budget $'000	Actual $'000
Redevelopment of computerised worker registry system	$1,000	$0
Annual provisions	$500	$207
TOTAL CAPITAL EXPENSES	**$1,500**	**$207**

The capital costs of the redevelopment of the Corporation's computerised worker registry system were deferred until 2004-05.

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 2002 to determine the sufficiency of the fund and the adequacy of the long service levy. The investigation was conducted by Professional Financial Solutions and concluded that there was a sufficiency of funds to meet the value of accrued liabilities as at 30 June 2002. A further full actuarial investigation will be undertaken in 2004-05 to reassess the previous recommendations.

An actuarial update of the position was undertaken as at 30 June 2004 for inclusion in the financial statements. Total liabilities were estimated at $393.6 million.

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 that have led to the payment of interest.

Schedule of accounts payable at end of relevant quarter

Payment	September 2003 Qtr	December 2003 Qtr	March 2004 Qtr	June 2004 Qtr
Current	$26,526	$172,559	$178,460	$64,245
Less than 30 days overdue	$0	$0	$0	$0
More than 30 days overdue	$0	$0	$0	$0
TOTAL ACCOUNTS PAYABLE	**$26,526**	**$172,559**	**$178,460**	**$64,245**

Accounts paid on time in relevant quarter

	September 2003 Qtr	December 2003 Qtr	March 2004 Qtr	June 2004 Qtr
Target % paid on time	95%	95%	95%	95%
Actual % paid on time	95%	96%	95%	95%
Total dollar amounts paid on time	$732,320	$1,879,639	$995,436	$941,560
Total dollar amounts paid	$764,815	$1,983,885	$1,065,943	$970,567
Total accounts paid on time	348	421	338	374
TOTAL ACCOUNTS PAID	**367**	**439**	**356**	**394**

Investments

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

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

	Balance on hand as at		Corporation investment performance		Benchmark performance
	30.6.03	30.6.04	Income	Return	Return
Fund categories	$'000	$'000	$'000	%	%
Long term growth	353,941	399,718	53,777	15.42	14.28
Cash	2,104	3,358	104	5.25	5.30
TOTAL	**356,045**	**403,076**	**53,881**	**N/A**	**N/A**

Budget forecast and results

	Budget 2003-04 $'000	Actual 2003-04 $'000	Budget 2004-05 $'000
REVENUES			
Investment income	27,700	53,881	24,800
Levy income	30,000	38,016	33,500
Other income	139	99	125
TOTAL REVENUES	**57,839**	**91,996**	**58,425**
OPERATING EXPENSES			
Long service payments	36,600	36,454	40,500
Long service payments liability expense	33,100	30,400	23,100
TOTAL OPERATING EXPENSES	**69,700**	**66,854**	**63,600**
OPERATING SURPLUS/(DEFICIT)	**(11,861)**	**25,142**	**(5,175)**
ADMINISTRATIVE EXPENSES			
Human resources			
Employee salaries	3,554	3,008	3,600
Employee superannuation charge	604	15	612
Employee salary related expenses	1,369	1,276	1,339
	5,527	**4,299**	**5,551**
Operations			
Depreciation of fixed assets	492	310	315
External audit fees	51	54	55
General expenses	2,307	1,881	2,115
	2,850	**2,245**	**2,485**
Occupancy			
Rental	471	305	350
Associated occupancy expenses	413	290	244
	884	**595**	**594**
Computing			
Computer operations/maintenance	809	674	720
External computing services	154	142	190
	963	**816**	**910**
Marketing			
Marketing program expenses	**174**	**119**	**175**
Travel			
Travel expenses	**79**	**67**	**85**
TOTAL ADMINISTRATIVE EXPENSES	**10,477**	**8,141**	**9,800**
SURPLUS/(DEFICIT)	**(22,338)**	**17,001**	**(14,975)**

Note: These budget figures have not been audited

Independent audit report

GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

BUILDING AND CONSTRUCTION INDUSTRY LONG SERVICE PAYMENTS CORPORATION

To Members of the New South Wales Parliament

Qualified Audit Opinion

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

(a) presents fairly the Corporation's financial position as at 30 June 2004 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and

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

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

Qualification

As in previous years, the Corporation, as disclosed in Note 1(d), has recognised the net movement on revaluation of the non-current investments in the Statement of Financial Performance. In my opinion, this accounting policy is a departure from Australian Accounting Standard AASB1041 'Revaluation of the Non-Current Assets". This Standard requires the net increment on revaluation, amounting to $30.8 million for the year ($31.6 million net decrement in 2002-03), to be adjusted to an asset revaluation reserve. Had this been done, the result for the year would change from the operating surplus of $17.0 million ($18.8 million deficit in 2002-03) to an operating deficit of $13.8 million ($12.8 million surplus in 2002-03). Net assets would amount to the same under either policy.

My opinion on the financial report for the year ended 30 June 2003 was similarly qualified.

The Chief Executive Officer's Role

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

The Auditor's Role and the Audit Scope

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

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

- evaluated the accounting policies and significant accounting estimates used by the Chief Executive Officer in preparing the financial report, and

- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

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

My opinion does *not* provide assurance:

- about the future viability of the Corporation,

- that it has carried out its activities effectively, efficiently and economically, or

- about the effectiveness of its internal controls.

Audit Independence

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

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and

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

R Sendt

R J Sendt
Auditor-General

SYDNEY
18 October 2004

BUILDING AND CONSTRUCTION INDUSTRY
LONG SERVICE PAYMENTS CORPORATION

FINANCIAL STATEMENTS

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

1. In our opinion the accompanying financial statements exhibit a true and fair view of the financial position of the Building and Construction Industry Long Service Payments Corporation as at 30 June 2004 and transactions for the year then ended;

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

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

Keith Napper
Director
Building and Construction Industry
Long Service Payments Corporation
12 October 2004

Jon Blackwell
Chief Executive Officer
~~WorkCover NSW~~
12 October 2004

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2004

	Note	2004 $'000	2003 $'000
CURRENT ASSETS			
Cash	2	**518**	1,149
Receivables	3(a)	**3,176**	2,871
Other Financial Assets	4(a)	**3,358**	2,104
TOTAL CURRENT ASSETS		**7,052**	6,124
NON-CURRENT ASSETS			
Receivables	3(b)	**512**	19
Other Financial Assets	4(b)	**399,718**	353,941
Property, Plant and Equipment	5	**1,217**	1,388
TOTAL NON-CURRENT ASSETS		**401,447**	355,348
TOTAL ASSETS		**408,499**	361,472
CURRENT LIABILITIES			
Payables	6	**748**	1,280
Provision for Employee Benefits	7(a)	**386**	393
Provision for Scheme Liabilities	8(a)	**40,500**	35,000
TOTAL CURRENT LIABILITIES		**41,634**	36,673
NON-CURRENT LIABILITIES			
Provision for Employee Benefits	7(b)	**1,791**	1,626
Provision for Scheme Liabilities	8(b)	**353,100**	328,200
TOTAL NON-CURRENT LIABILITIES		**354,891**	329,826
TOTAL LIABILITIES		**396,525**	366,499
NET ASSETS/(LIABILITIES)		**11,974**	(5,027)
EQUITY			
Retained Surplus/(Accumulated Loss)		**11,974**	(5,027)
TOTAL EQUITY	9	**11,974**	(5,027)

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

BUILDING AND CONSTRUCTION INDUSTRY
LONG SERVICE PAYMENTS CORPORATION

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

	Note	2004 $'000	2003 $'000
REVENUES FROM ORDINARY ACTIVITIES			
Investment Income	10	**53,881**	82
Long Service Levy	11	**38,016**	33,656
Other Revenue	12	**99**	51
TOTAL REVENUE FROM ORDINARY ACTIVITIES		**91,996**	33,789
EXPENDITURE FROM ORDINARY ACTIVITIES			
Long Service Payments	13	**36,454**	31,349
Long Service Payments Liability Expense	8(c)	**30,400**	4,800
Loss on Investments	10	**-**	6,546
Employee Related Expenses	14	**4,299**	5,348
Operating Expenses	15	**3,532**	4,204
Depreciation	5	**310**	359
TOTAL EXPENDITURE FROM ORDINARY ACTIVITIES		**74,995**	52,606
SURPLUS/(DEFICIT) FOR THE YEAR		**17,001**	(18,817)
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		**0**	0
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		**17,001**	(18,817)

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 2004

	Note	2004 $'000	2003 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Long Service Levy Receipts		**37,566**	33,696
Interest Receipts		**162**	129
Other Receipts		**537**	537
Long Service Scheme Payments		**(36,625)**	(31,217)
Payments to Suppliers and Employees		**(8,905)**	(8,377)
Net Cash Used In Operating Activities	16	**(7,265)**	(5,232)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Investments		**8,000**	6,000
Proceeds from Disposal of Plant and Equipment		**95**	23
Purchase of Plant and Equipment		**(207)**	(1,469)
Net Cash Provided by Investing Activities		**7,888**	4,554
NET INCREASE/(DECREASE) IN CASH HELD		**623**	(678)
Opening Cash and Cash Equivalents		**3,253**	3,931
CLOSING CASH AND CASH EQUIVALENTS	17	**3,876**	3,253

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

1 STATEMENT OF ACCOUNTING POLICIES

(a) The Reporting Entity

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

(b) Basis of Accounting

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

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

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

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

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

(c) Transition to Australian Equivalents to International Financial Reporting Standards (AIFRS)

(i) Explanation of how the transition to AIFRS is being managed

The Corporation will apply the Australian Equivalents to International Financial Reporting Standards (AIFRS) from the reporting period beginning 1 July 2005.

The Corporation is managing the transition to the new standards by allocating internal resources and/or engaging consultants to analyse the pending standards and Urgent Issue Group Abstracts to identify key areas regarding policies, procedures, systems and financial impacts affected by the transition.

As a result of this exercise, the Corporation has taken the following steps to manage the transition to the new standards:

- The Corporation's Executive Management Committee is oversighting the transition. The Corporation's Finance Manager is responsible for the project and reports regularly to the Committee on the progress against the plan.
- The following phases that need to be undertaken have been identified:
    - Develop strategy for the adoption of AIFRS.
    - Scope and impact assessment identifying key areas of impact
    - Design stage to amend systems, policies and procedures
    - Implementation stage to parallel run systems during 2004/2005 and implement training programs for relevant staff.

- To date, the Corporation has developed a strategy for the adoption of AIFRS and is in the process of finalising its scope and impact assessment.

NSW Treasury is assisting agencies to manage the transition by developing policies, including mandates of options; presenting training seminars to all agencies; providing a website with up-to-date information to keep agencies informed of any new developments; and establishing an IAS Agency Reference Panel to facilitate a collaborative approach to manage the change.

(ii) Key Differences in Accounting Policies

The Corporation has identified a number of significant differences in accounting policies that will arise from adopting AIFRS. Some differences arise because AIFRS requirements are different from existing AASB requirements. Other differences could arise from options in AIFRS. To ensure consistency at the whole of government level, NSW Treasury has advised the Corporation of options it is likely to mandate, and will confirm these during 2004-05. This disclosure reflects these likely mandates.

The Corporation's accounting policies may also be affected by a proposed standard designed to harmonise accounting standards with Government Finance Statistics (GFS). This standard is likely to change the impact of AIFRS and significantly affect the presentation of the income statement. However, the impact is uncertain, because it depends on when this standard is finalised and whether it can be adopted in 2005-06.

Based on current information, the following key differences in accounting policies are expected to arise from adopting AIFRS:

- AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* requires retrospective application of the new AIFRS from 1 July 2004, with limited exemptions. Similarly, AASB108 *Accounting Policies, Changes in Accounting Estimates and Errors* requires voluntary changes in accounting policy and correction of errors to be accounted for retrospectively by restating comparatives and adjusting the opening balance of accumulated funds. This differs from current Australian requirements, because such changes must be recognised in the current period through profit or loss, unless a new standard mandates otherwise.
- AASB 119 *Employee Benefits* requires the defined benefit obligation to be discounted using the government bond rate as at each reporting date rather than the long-term expected rate of return on plan assets. This will increase the amount and future volatility of the unfunded superannuation liability and the volatility of the employee benefit expense.
- AASB 139 *Financial Instrument Recognition and Measurement* adopts a mixed model and requires financial instruments held for trading and available for sale to be measured at fair value and valuation changes to be recognised in profit or loss or equity, respectively. However, the effect of this Standard should be minimal because the Corporation considers its functions to be similar to that of a superannuation entity and in accordance with AAS25 recognises financial instruments at fair value and valuation changes in profit and loss.

(d) Other Financial Assets

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

Changes in the net market value of non-current investments, since the beginning of the financial year, are brought to account in the Statement of Financial Performance. This is a departure from Australian Accounting Standard AASB 1041 "Revaluation of Non-Current Assets". AASB 1041.

requires the net increment (decrement) on revaluation of non-current assets to be directly credited (debited) to an asset revaluation reserve. However, the Corporation considers its functions to be similar to that of superannuation entities. 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.

(e) Property, Plant and Equipment

The cost method of accounting is used for the initial recording of all acquisitions of assets. Cost is determined as the fair value of the assets given as consideration plus the costs incidental to the acquisition. Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

Physical assets, which have a purchase value of $5,000 or higher and provide a future benefit (greater than two years useful life) are capitalised.

(f) Depreciation

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

(g) Leases

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

(h) 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.

(i) Employee Benefits

(i) Salaries, Wages, Annual Leave, Sick Leave and On Costs

Liabilities for salaries, wages and annual leave are recognised and measured in respect of employees' services up to the reporting date at nominal amounts based on the amounts expected to be paid when the liabilities are settled.

Unused non-vesting sick leave does not give rise to a liability, as it is not considered probable that sick leave taken in the future will be greater than the entitlements accrued in the future.

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

(ii) Long Service Leave

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

(j) Superannuation

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

(k) 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.

(l) Revenue Recognition

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

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

Revenue from outside operating activities includes:

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

(m) Financial Instruments

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

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

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

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

Investments with TCorp

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

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

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

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

	2004 $'000	2003 $'000
2 CASH		
Cash at Bank and on Hand	**518**	1,149
3 RECEIVABLES		
(a) Current		
Long Service Levy	**2,924**	2,474
Prepayments	**100**	237
Interest	**10**	6
Other	**142**	156
Less: Provision for Doubtful Debts	**-**	(2)
	3,176	2,871
(b) Non-Current		
Prepaid Superannuation Contributions	**512**	19
	3,688	2,890

4 OTHER FINANCIAL ASSETS

Investments

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

	2004 $'000	2003 $'000
(a) Current		
Cash Facility Trust	**3,358**	2,104
(b) Non-Current		
Long Term Growth Facility Trust	**399,718**	353,941
	403,076	356,045

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

5 PROPERTY, PLANT AND EQUIPMENT

	2004 $'000	2003 $'000
Plant and Equipment at fair value	**2,157**	2,107
Less Accumulated Depreciation	**(940)**	(719)
	1,217	1,388

	Plant and Equipment $'000	Leasehold Improvements $'000	Computer Equipment $'000	Motor Vehicles $'000	Total $'000
30 June 2004					
Carrying amount at start of financial year	**446**	**783**	**42**	**117**	**1,388**
Additions	**13**	**1**	**58**	**135**	**207**
Disposals	**-**	**-**	**(25)**	**(132)**	**(157)**
Transfer/(Adjustments for disposals)	**-**	**-**	**25**	**64**	**89**
Depreciation	**(106)**	**(143)**	**(25)**	**(36)**	**(310)**
Carrying amount at end of financial year	**353**	**641**	**75**	**148**	**1,217**
30 June 2003					
Carrying amount at start of financial year	247	-	165	106	518
Additions	516	884	24	45	1,469
Disposals	(741)	-	(587)	-	(1,328)
Transfer/(Adjustments for disposals)	553	-	535	-	1,088
Depreciation	(129)	(101)	(95)	(34)	(359)
Carrying amount at end of financial year	446	783	42	117	1,388

6 PAYABLES

	2004 $'000	2003 $'000
Long Service Payments	**180**	316
Long Service Levy Commissions	**124**	104
Accrued Salaries and Wages	**118**	84
Administrative Expenses	**326**	776
	748	1,280

7 PROVISION FOR EMPLOYEE BENEFITS

(a) Current

	2004 $'000	2003 $'000
Recreation Leave	**317**	316
Long Service Leave	**69**	77
	386	393

	2004 $'000	2003 $'000
(b) Non-Current		
Long Service Leave	**1,408**	1,289
Employer Superannuation Contribution	**383**	337
	1,791	1,626

Aggregate employee benefits and related on-costs

	2004 $'000	2003 $'000
Provisions – current	**386**	393
Provisions – non current	**1,791**	1,626
Accrued Salaries and Wages	**118**	84
	2,295	2,103

Unfunded Superannuation Liability/Prepaid Superannuation Contributions Statement 30 June 2004:

Monetary Value	**SASS $**	**SANCS $**	**SSS $**
Actuarial Superannuation Liability	(843,701)	(501,150)	(5,453,055)
Reserve Account Balance as at 30 June 2004	801,971	159,500	5,964,822
(Unfunded Liability)/Prepaid Contributions as at 30 June 2004	(41,730)	(341,650)	511,767

The Gross Superannuation Liabilities were actuarially determined. The financial assumptions that have been applied for the calculations for 2004 and thereafter are: Rate of Investment return 7.0% pa, Rate of salary increase 4.0% pa and Rate of increase in CPI 2.5% pa.

8 PROVISION FOR SCHEME LIABILITIES

	2004 $'000	2003 $'000
(a) Current	**40,500**	35,000
(b) Non-Current	**353,100**	328,200
	393,600	363,200
Balance at the beginning of the financial year	**363,200**	358,400
Balance at the end of the financial year	**393,600**	363,200
(c) Long Service Payments Liability Expense	**30,400**	4,800

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 2002 by Professional Financial Solutions. For the purpose of that valuation the following number of workers were considered:

Inactive for 4 or more years	114,231
Inactive for 2-3 year	49,116
Active in last 2 years	139,235
Total number of workers considered	302,582

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

Financial Year	Net Investment Return %	Wages Increase Rate %
2002/03	-3.0	3.0
2003/04	7.0	4.0
Thereafter	7.0	4.5

At 30 June 2004, Professional Financial Solutions undertook an actuarial update. Based on the claims data provided by the Corporation for the 12 months ending 30 June 2004 and information provided on new entrants through the period, the actuaries estimated the scheme liabilities to be $393.6M at 30 June 2004.

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

	2004 $'000	2003 $'000
9 Equity		
(Accumulated Loss)/Retained Surplus at the beginning of the financial year	**(5,027)**	13,790
Surplus/(Deficit) for the year	**17,001**	(18,817)
Retained Surplus/(Accumulated Loss) at the end of the financial year	**11,974**	(5,027)
10 Investment Income		
Cash Facility Trust	**104**	82
Long Term Growth Facility Trust	**53,777**	(6,546)
	53,881	(6,464)
11 Long Service Levy		
Long Service Levy	**38,928**	34,238
Long Service Levy Refunds	**(912)**	(582)
	38,016	33,656

	2004 $'000	2003 $'000
12 Other Revenue		
Interest	**62**	47
Profit on Disposal of Plant and Equipment	**28**	-
Miscellaneous Income	**9**	4
	99	51
13 Long Service Payments		
Workers	**33,453**	28,247
Employers	**1,695**	1,682
Medical Incapacity	**762**	967
Deceased	**544**	453
	36,454	31,349
14 Employee Related Expenses		
Salaries including Recreation Leave	**3,308**	3,219
Long Service Leave	**137**	394
Superannuation	**15**	1,059
Payroll Tax and Fringe Benefits Tax	**190**	179
Temporary Assistance	**581**	441
Other Employee Related Expenses	**68**	56
	4,299	5,348

The average number of "equivalent full time" employees during the financial year was 62.4.

	2004 $'000	2003 $'000
Superannuation Expense	**461**	421
Superannuation Liability Adjustment	**(446)**	638
	15	1,059
15 Operating Expenses		
Computing	**816**	709
Marketing	**119**	97
Travel	**67**	63
Occupancy	**595**	1,016
Long Service Levy Commissions	**947**	933
Consultancy	**18**	40
Audit remuneration - audit of financial report	**54**	58
Services Agreement	**185**	426
Loss on Disposal of Plant and Equipment	**-**	218
Other Administrative Expenses	**731**	644
	3,532	4,204

	2004	2003
	$'000	$'000

16 Net Cash Flows from Operating Activities

Reconciliation of Net Cash Used In Operating Activities to Operating Result:

	2004 $'000	2003 $'000
Operating Result	**17,001**	(18,817)
Plus/(minus) non-cash items:		
Depreciation	**310**	359
Investment Income	**(53,777)**	6,546
Superannuation Liability Adjustment	**(446)**	638
Long Service Payments Liability Expense	**30,400**	4,800
Net (Profit)/Loss on Disposal of Plant and Equipment	**(28)**	218
Change in Asset and Liabilities:		
(Increase)/Decrease in Receivables	**(305)**	116
Increase/(Decrease) in Payables	**(565)**	662
Increase/(Decrease) in Provisions	**145**	246
Net Cash Used In Operating Activities	**(7,265)**	(5,232)

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:

	2004 $'000	2003 $'000
Statement of Financial Position		
Cash Assets	**518**	1,149
Other Financial Assets	**3,358**	2,104
Statement of Cash Flows	**3,876**	3,253

18 Commitments

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

	2004 $'000	2003 $'000
Not later than one year	**474**	450
Later than one year and not later than 5 years	**1,810**	1,665
More than 5 years	**1,357**	1,655
Total (including GST)	**3,641**	3,770

The total operating lease commitments above include input tax credits of $331,000 that are expected to be recoverable from the ATO.

	2004 $'000	2003 $'000

18 Commitments (con't)

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

	2004 $'000	2003 $'000
Not later than one year	**307**	14
Later than one year and not later than 5 years	**203**	-
Total (including GST)	**510**	14

The total operating expenditure commitments above include input tax credits of $46,000 that are expected to be recoverable from the ATO.

19 Financial Instruments

(a) Interest Rate Risk

The Corporation's exposure to interest rate risks and the effective interest rates on financial instruments as at 30 June 2004 were:

	Floating Interest rate $'000	**Non Interest Bearing $'000**	**Total Carrying Amount $'000**	**Weighted Average Effective Interest rate %**
Financial Assets				
Cash Assets	**518**	**-**	**518**	**4.69**
Receivables	**-**	**3,176**	**3,176**	**N/A**
Other Financial Assets	**403,076**	**-**	**403,076**	**15.37**
Total Financial Assets	**403,594**	**3,176**	**406,770**	
Financial Liabilities				
Payables	**-**	**630**	**-**	**N/A**
Total Financial Liabilities	**-**	**630**	**-**	

The Corporation's exposure to interest rate risks and the effective interest rates on financial instruments at 30 June 2003 were:

	Floating Interest rate $'000	Non Interest Bearing $'000	Total Carrying Amount $'000	Weighted Average Effective Interest rate %
Financial Assets				
Cash Assets	1,149	-	1,149	4.38
Receivables	-	2,871	2,871	N/A
Other Financial Assets	356,045	-	356,045	(1.71)
Total Financial Assets	357,194	2,871	360,065	
Financial Liabilities				
Payables	-	1,196	-	N/A
Total Financial Liabilities	-	1,196	-	

(b) Credit Risk

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

30 June 2004	**Governments $'000**	**Banks $'000**	**Other $'000**	**Total $'000**
Financial Assets				
Cash Assets	**-**	**518**	**-**	**518**
Receivables	**-**	**-**	**3,176**	**3,176**
Other Financial Assets	**403,076**	**-**	**-**	**403,076**
Total Financial Assets	**403,076**	**518**	**3,176**	**406,770**
30 June 2003				
Financial Assets				
Cash Assets	-	1,149	-	1,149
Receivables	-	-	2,871	2,871
Other Financial Assets	356,045	-	-	356,045
Total Financial Assets	356,045	1,149	2,871	360,065

(c) Net Fair Value

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

20 Contingent Liabilities

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

21 After Balance Date Events

The Corporation 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

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

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

The Industry Committee decides appeals lodged against Corporation decisions to:

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

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

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

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

The current Industry Committee was appointed by the Minister for a three year period effective from 1 August 2002 to 31 July 2005. During 2003-04 the Industry Committee met on three occasions.

During the year the Committee provided advice on coverage for building site preparation activities. The Committee also reviewed proposals from the Corporation for improvements in scheme administration for consideration by the Minister and potential future legislative change. The Committee also considered employer compliance and the Corporation's compliance strategy.

Appeals

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

There were no appeals lodged by levy payers in the year but six 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	
	02-03	03-04	02-03	03-04
Rejected application to join scheme	0	2	0	2
Refusal of service credits	2	1	1	1
Total	2	3	1	3

Chairperson

Mr Jon Blackwell BA, MA
Chief Executive Officer, WorkCover NSW
Statutory Head of the Corporation from 1 January 2004
Attended 2 meetings

Ms Kate McKenzie BA, LLB
Director-General, Department of Commerce
Statutory Head of the Corporation until 31 December 2003
Attended 1 meeting

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, BWAC Employment
Member, WorkCover NSW, Construction Industry Reference Group
Member, Construction Industry Consultative Committee
Executive Member, Labor Council of NSW
Member, WorkCover NSW Occupational Health & Safety Council
Attended 1 meeting

Mr Russ Collison
State Secretary, AWU NSW
Board of First State Super
Vice President, Labor Council of NSW
Attended 0 meetings

Mr Michael Doust
Organiser, Electrical Trades Union
Attended 2 meetings

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

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

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

Mr Peter Ryan BBus Econ (from 1 April 2004)
Divisional Manager, Construction and Special Projects, Employers First
Attended 1 meeting

Members directly appointed by the Minister

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

Attended 1 meeting

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

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

Mr Brian Beer
State President, Australian Manufacturing Workers Union (Retired)
Member, 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 3 meetings

Deputy Members

Deputy members nominated by the Labor Council of NSW

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

Mr Warren Baker
State Organiser, Australian Workers' Union
Member, Mines Safety Council
Member, Metalliferous Consultative Committee
Member, Mining Industry Training Advisory Board
Member, Rail Infrastructure Corporation Consultative Committee
Member, WorkCover Mining Industry Reference Group
Attended 2 meetings

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

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

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

Mr Peter Ryan BBus Econ (to 31 March 2004)
Divisional Manager, Construction and Special Projects, Employers First
Attended 1 meeting

Mr John Elder BBus, MIR (Hons)
Attended 1 meeting

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
Was not required to attend any meetings

Ms Catherine Brokenborough BA Dip Ed, Carpentry and Joinery
Environmental Health and Safety/Industrial Relations Co-ordinator, Bovis Lend Lease
Attended 2 meetings

Appendices

Appendix 1

Service standards

Our commitment to customer service

The Corporation's aims are to:

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

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

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

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

SERVICE PROVIDED	LEVEL OF SERVICE
Other services	
Inquiries in respect of financial matters concerning payment of accounts, claims and related matters	Processed within 5 working days.
Turnaround of administrative payments on commercial terms	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 and enhanced.

What if customers have any problems or suggestions?

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

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

The Customer Council (Industry Committee)

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

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

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

Appeals against decisions by the Corporation

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

Appendix 2

Performance indicators for provision of services

SERVICE	TARGET	RESULTS
Turnaround of written inquiries (excluding *Annual Statement of Recorded Service* related inquiries).	Resolved within 10 working days with progress advice until resolution if not resolved with 10 days.	Achieved.
Turnaround of *Annual Statement of Recorded Service* requests to review service allocated to a member's record and related inquiries.	Acknowledgment issued within 10 working days and resolution prior to next statement issue.	Achieved.
Turnaround of employer and worker applications for registration with all required information.	Within 10 working days for worker applications. Within 10 working days for employer applications.	Achieved.
Issue of *Annual Statement of Recorded Service.*	All issued by 30 November each year.	Achieved.
Turnaround of long service payments.	Within 10 working days.	Achieved.
Turnaround of financial inquiries.	Within 5 working days.	Achieved.
Telephone or personal inquiries on general or specific matters relating to levy matters.	Where possible, advice will be provided immediately.	Achieved.
Partial exemptions from payment of the levy eg owner builders.	Applications processed within 3 working days.	Achieved.
Training days per staff member.	4 days.	4.4 days.
Emergency computer hardware and software problems responded to within 1 hour.	90%.	Achieved.
Standard computer hardware and software request responded to within 2 working days.	90%.	Achieved.
Computer system availability between 8.30 am and 5.00 pm.	98% in each month.	Achieved.
Computer system recovery.	100% within 8 working hours.	Achieved.
Bulk documents updated to main computer systems.	Within 2 working days.	Achieved target 90% of time and 100% within 5 working days.

Appendix 3

Consumer response

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

Marketing and communication activities

Marketing and promotion are an important part of the Corporation's compliance strategy. Compliance is not only about enforcement.

The purpose of marketing and promotional activities is to educate employers about their obligations and to inform workers of their entitlements.

Major achievements in marketing and promotion in 2003-04 included:

- The Corporation completed the implementation of its new Corporate Identity project. A new brand that is contemporary and relevant to the building industry was successfully introduced. This included the development of new corporate identity guidelines that ensure a consistent and recognisable image is promoted throughout the industry.
- Changes to the format and style of the *Annual Statement of Recorded Service* and accompanying information sent to workers were made. The information was written in a plain English format and the actual amount of information sent to workers was reduced. These changes achieved their desired result with a substantial increase in the number of workers responding to the information.
- A random survey of workers receiving the *Annual Statement of Recorded Service* package was undertaken. Key results from the survey showed that over 80% of workers felt the statement was easy to read and 96% felt the information that accompanied the statement was helpful to them.
- The Corporation established closer relationships with key industry contacts and this has resulted in a significant increase in the number of face-to-face contacts with workers and employers.
- A formalised communication schedule was introduced to ensure that information flows to customers in a coordinated and timely manner.
- A Community Languages Advertising Strategy was implemented. This strategy resulted in advertisements promoting key employer obligations appearing in fourteen community language newspapers.
- A major survey of employers was conducted in conjunction with the University of Technology Sydney in June 2004. The project was an opportunity for the Corporation to obtain valuable marketing information whilst also supporting a worthwhile educational program. The objectives of the research were to investigate employers' satisfaction with the Corporation's services, their understanding of compliance obligations and their perceptions of the Corporation's marketing and promotion strategies. Results of this survey will provide valuable input for the formulation of the 2004-05 Marketing Plan.

Customer complaints

There were six complaints made to the Corporation by way of the formal complaints mechanisms, these were subsequently resolved. This compares to nil that were made in the previous year. There were also five representations to the Minister (compared with eleven in 2002-03), relating to cancelled registrations, setting of registration dates, recording of service, long service entitlements and worker coverage. The provisions of the scheme legislation and policies were explained to the complainants.

Appendix 4

Legislative change

Regulation changes that occurred were:

- The Building and Construction Industry Labourers' On Site (State) Award and the Building Tradesmen (State) Construction Award were replaced by the Building and Construction Industry (State) Award. The new award is used to determine 'standard pay' and also to define work coverage by the scheme.
- An exemption for levy collection is included to confirm that there is no legal obligation to collect a levy for work where no consent is required under parts 4 and 5 of the Environment Planning Assessment Act or any other Act.

The following statute law revisions encompassing simple administrative matters were progressed:

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

Appendix 5

Freedom of Information Act 1989

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

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

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

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

The Summary of Affairs of both Agencies are published in the Government Gazette and in respect of the Corporation were published in the Government Gazette No 199 of 24 December 2003 and No 105A of 25 June 2004.

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

The FOI Coordinator
Locked Bag 3000
Central Coast MC NSW 2252

or lodged on

Ground Floor
Corner Donnison and Baker Streets
GOSFORD NSW 2250

Freedom of Information (FOI) Requests

	Agency 968				Agency 1682			
	2003-04		2002-03		2003-04		2002-03	
	Personal	Other	Personal	Other	Personal	Other	Personal	Other
Total FOI requests	0	0	0	0	0	0	0	0

There were no FOI requests in 2003-04 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 2002-03 or 2003-04.

Appendix 6

Privacy and Personal Information Protection Act

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

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

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

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

Appendix 7

Disability plan

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

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

Access

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

The physical nature of the work involved in the Corporation's client industry limits opportunities for industry based programs for people with disabilities. However, the scheme allows access to accrued benefits and, in some circumstances, continuation of the recording of service credits due to disability. In 2003-04, 463 grants of service on medical grounds were made totalling 64,703 days and 354 long service payments totalling $769,793 were paid to members who became totally incapacitated for work in the industry and were forced to leave the industry.

Employment

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

Appendix 8

Women's action plan

Scheme

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

Staff

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

The Corporation has continued flexible working arrangements that offers a wide bandwidth, no core time and provides for up to three flex-days in a six-week period, which assist staff to meet work as well as family commitments. Where possible the Corporation has permitted officers to work part-time. These arrangements were utilised by two female officers in 2003-04 to assist with childcare and study commitments.

Appendix 9

Community relations

Progress against Key Result Areas is shown below:

Key result area	Achievements
Social justice Providing an efficient and equitable scheme of portable long service benefits for the construction industry.	• A telephone translation service and staff speaking some community languages are available. The service is promoted to the industry and workers through various information materials. • Information about the scheme has been translated into fourteen community languages and has been made available on the Corporation's Website. This initiative appears very useful with between 1800 and 2000 workers accessing these documents each year since the initiative was put in place. • An information sheet, in fourteen community languages, on the availability of the translation service and how to respond to the *Annual Statement of Recorded Service* was forwarded to 241,106 workers together with their annual statements in October/November 2003. • Basic scheme information can be printed from the Corporation's Website in fourteen community languages and are available to assist workers to register. • The Corporation's legislation includes requirements for employers to register their workers thus ensuring workers with low English proficiency have access to the scheme. • Information in fourteen community languages is now included on the reverse of all letterheads. • A Community Languages Advertising Strategy was implemented with advertisements promoting key employer obligations appearing in fourteen community language newspapers.
All relevant contracts require contracting parties to meet EEO practices in relation to that contract.	• Corporation contracts include provisions that EEO requirements will be complied with.
Community harmony Implementation of EEO Management and Equity and Access Plan.	• The Community Language Allowance Scheme is in place and staff are encouraged to obtain accreditation for community languages most used in the building industry. • Training and access to career development opportunities were available to all staff. Target groups participated in training and career development opportunities.

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

Appendix 10

Program evaluation

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

A comprehensive enterprise-wide risk assessment review was carried out to better define risks and focus the internal audit process.

Five areas were subject to audit comprising core business areas of worker registry service database, levy revenue collection, long service payments to registered workers, finance and administration services. Effective management controls were found to be in place in all areas. However, a number of recommendations for improvements were noted and accepted. There have been no adverse findings from the audit program.

Appendix 11

Insurances and risk management

a) Insurances

For 2003-04 the Corporation commenced insurance through the NSW Treasury Managed Fund (TMF). The TMF coverage for the Corporation is as follows:

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

b) Workers compensation

The Corporation had nine claims for Workers Compensation during the financial year. Seven related to an incident where a white powder was found in a box of forms. This led to an evacuation of the Gosford Office and involved emergency services. As a precaution officers who had contacted the substance were medically examined and counselled. Fortunately the substance was found to be harmless.

The total cost of claims for 2003-04 was $10,385, averaging $1,298 per claim.

c) Risk management

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

(d) Business continuity plan

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

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

During this financial year the Corporation commenced a major redevelopment of its computerised worker registry system. This redevelopment will replace a 20-year-old system, reduce the risk of problems and allow more options to recover from any that occur. Implementation is scheduled to commence in 2005-06.

Appendix 12

Waste reduction and purchasing plan

The Corporation primarily uses paper-based material including mail-outs to provide information and to communicate with scheme members and employers. The Corporation has actively supported recycling for many years and, for stationery and copy paper requirements, uses virtually totally Australian-made paper, which is manufactured from between 60 and 100% recycled waste paper or fibre. All envelopes used are a minimum of 60% recycled paper. In addition, all waste paper products are disposed of either in the secure or general collection bins provided for regular collection and recycling. The Corporation recycles all printer toner cartridges.

The Corporation has introduced the option of electronic lodgement by employers of certificates of service information for workers, which has reduced the print numbers of these certificates. Electronic funds transfer is the preferred method of payment with over 92% of payments to workers now occurring by this method. Internet and emails have also moderated the use of paper-based products. Faxed material can now be received and stored electronically and despatched faxes can be sent directly from computer workstations without the use of paper.

In accordance with its waste reduction plan, the Corporation operates three multifunctional copier/facsimile/printers with the capacity to print on both sides and has trained staff to use this function. It has also adopted the policy of extracting literature from 'return to sender' mail for reuse and is carefully monitoring ordering levels of its forms and other stationery items to avoid wastage.

Appendix 13

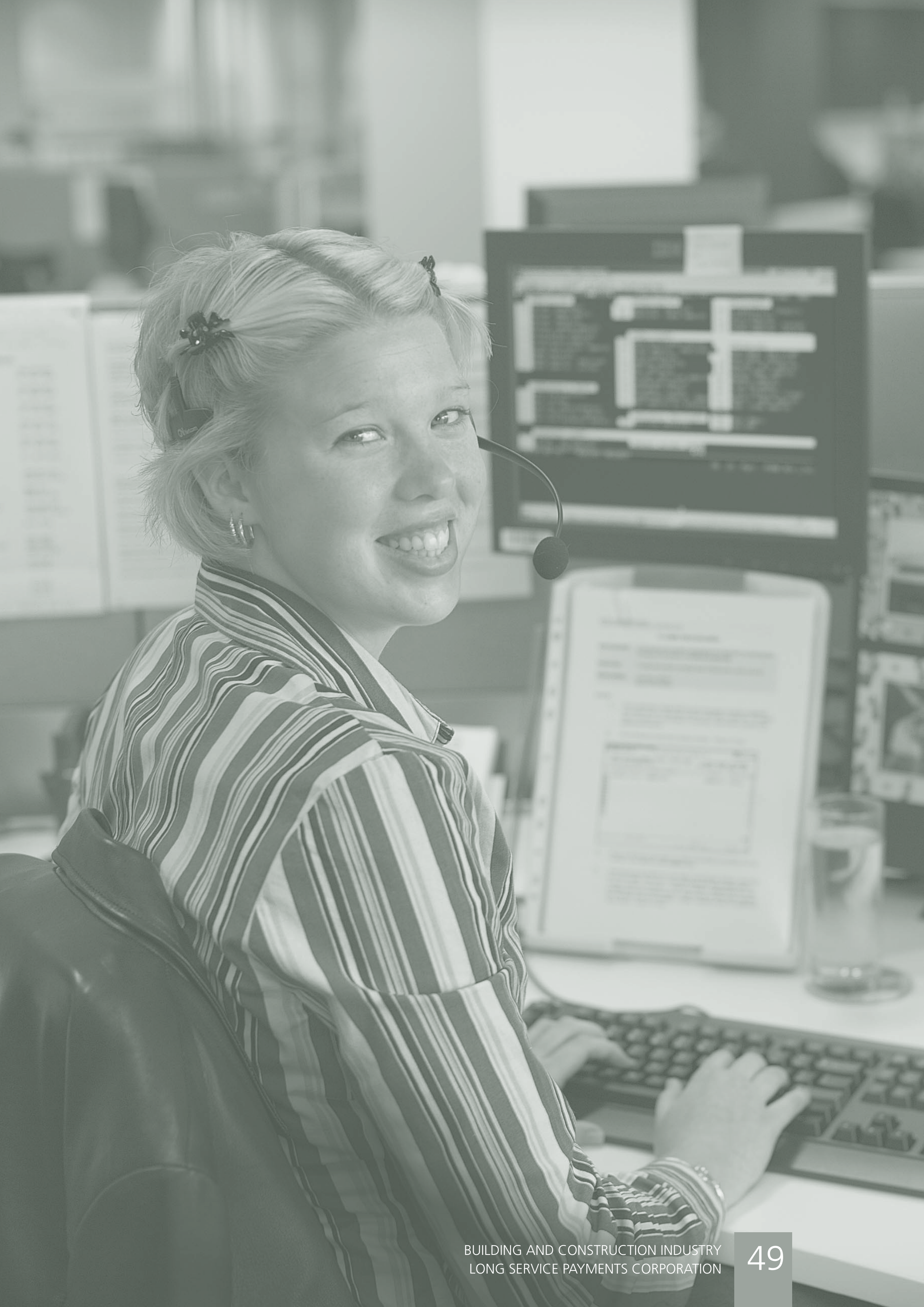
Government energy management policy

During 2003-04, the Corporation continued to conserve energy.

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

Additional energy reduction strategies that are in place include:

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



Appendix 14

Information technology

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

The Corporation has completed its intranet re-development project. The new intranet provides the staff with access to up-to-date corporate knowledge and assisting in delivering better customer services. The inclusion and continuous updating of corporate knowledge, including policies and procedures, on the intranet is an integral part of the business continuity plan.

Other information system projects include:

- Enhancements to the levy revenue system to address operational issues.
- Enhancements to the computerised worker registry system to address operational issues and policy changes.
- Implementation of an electronic document and record management system, to better manage paper and electronic records received by the Corporation.
- Commencement of a functional specification of the computerised worker registry system to enable redevelopment of that system.

Appendix 15

Occupational health and safety

The Occupational Health and Safety Committee consists of two management members and four staff representatives. The Committee met on three occasions during 2003-04. Regular workplace inspections have been conducted and no major safety issues were identified.

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

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

Appendix 16

Equal employment opportunity

WorkCover NSW, under a Service Partnership Agreement with the Corporation, collects EEO data regularly for the Premier's Department Workforce Profile. This assists the Corporation in monitoring its EEO performance against NSW Government employment benchmarks for staff from EEO minority groups. At the end of this reporting year the Corporation was achieving the established benchmark for women, Aboriginal and Torres Strait Islanders and people with disabilities. In the other two categories, people from non-English speaking backgrounds and people with disabilities requiring workplace adjustments, the Corporation was within 4% of the benchmark.

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

Trends in the representation of EEO groups					
		% of total staff			
EEO group	Benchmark or target	2001	2002	2003	2004
Women	50%	47%	51%	53%	52%
ATSI	2%	0%	2%	0%	2%
NESB	19%	19%	11%	12%	15%
PWD	12%	16%	12%	11%	12%
PWD requiring work-related adjustment	7%	n/a	n/a	n/a	3%

Trends in the distribution of EEO groups					
		Distribution index			
EEO group	Benchmark or target	2001	2002	2003	2004
Women	100	n/a	n/a	n/a	85
ATSI	100	n/a	n/a	n/a	n/a
NESB	100	n/a	n/a	n/a	n/a
PWD	100	n/a	n/a	n/a	n/a
PWD requiring work-related adjustment	100	n/a	n/a	n/a	n/a

Notes:
ATSI = Aboriginal & Torres Strait Islander Employees
NESB = Non English Speaking Background
PWD = People with Disabilities
The women distribution index figures are not available for 2001 to 2003.
Staff numbers are as at 30 June and excludes agency staff.
A distribution index of 100 indicates that the centre of the distribution of EEO group salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than other staff. An index of more than 100 shows that the EEO group is less concentrated at lower levels.
The distribution index is not calculated where the EEO group is less than 20.

Appendix 17

Human resources information

From 1 July 2003 WorkCover NSW commenced providing human resource services through a shared partnership arrangement implemented in response to Government policy initiatives. As a result of this change a number of WorkCover's Human Resources Policies, where mutually compatible, have been adopted by the Corporation.

Work practices/industrial relations

There have been no major industrial relations issues during the financial year. The relevant Union, the Public Service Association of NSW, has been advised of a project designed to redevelop the Corporation's record management system. Consultation on this project has commenced in the Corporation's Joint Consultative Committee.

Training and development

This year's training target of 4 days training per officer was exceeded. A stable staffing environment has enabled the Corporation to concentrate on developing the skills and corporate knowledge of the work force.

Staffing statistics

Full-time equivalent

	FTE* 2000-01	FTE* 2001-02	FTE* 2002-03	FTE* 2003-04
Number of staff employed	58.6	57.4	59.4	62.4

*FTE equals full-time equivalent 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.

Appointments

		2000-01	2001-02	2002-03	2003-04
Non promotional (base grade)	Permanent	-	-	-	-
	Temporary	-	-	-	-
Promotional positions	Permanent	4	23	16	5
	Temporary	-	1	-	-
Total		4	24	16	5

Breakdown of promotional recruitment

	2000-01	2001-02	2002-03	2003-04
Applicants outside the public sector	-	8	6	2
Applicants within the Corporation	1	5	2	1
Applicants from other public sector organisations	3	11	8	2
Total	4	24	16	5

Separations

	2000-01	2001-02	2002-03	2003-04
Resignations permanent officers	-	1	-	1
Separations temporary officers	-	1	-	-
Transfers on grade within public sector	1	14	10*	4
Promotions to other public sector organisations	4	2*	1	-
Voluntary redundancy	-	-	4	-
Retirement	1	-	-	-
Total	6	18	15	5

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

Chief and senior executive officers

	2000-01	2001-02	2002-03	2003-04
SES officers	1	1	1	1
Number of female SES officers	-	-	-	-
Number of SES officers at level 5 and above	-	-	-	-

Comparison of staff levels

	FTE* 2000-01	FTE* 2001-02	FTE* 2002-03	FTE* 2003-04
Senior executive service	1	1	1	1
Clerk grade 9-12	7	6.75	6	7
Clerk grade 5-8	14	16.75	20	16.3
Clerk grade 1-4	35.2	29.15	29	33
Clerical officer grade 1-2	-	-	-	-
Temporary contracting staff	1.4	3.75	3.4	5.1
Total	58.6	57.4	59.4	62.4

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

Appendix 18

Consultants

The Corporation engaged two consultants in 2003-04.

- Actuaries undertook work of the sufficiency of the fund and an update of the valuation of scheme liabilities at June 2004, at a total cost of $14,000.
- Consultants were engaged to undertake a review of the Corporation's corporate services activities and advise on the potential for developing shared corporate service arrangements, at a cost of $4,000.

Appendix 19

Code of conduct

A new Code of Conduct has been developed which can be viewed on our Internet Site at http://www.lspc.nsw.gov.au

Appendix 20

Annual report costs

Three hundred copies of the Annual Report were printed at a total cost of $8,314 including artwork and printing.

Appendix 21

Annual report availability

Copies of its annual reports are available on the Corporation's Website http://www.lspc.nsw.gov.au.

Appendix 22

Other disclosures

- The Corporation has no subsidiaries and has not entered into joint ventures or 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.

Appendix 23

Publications

Publications available from the Corporation include:

- Annual Report 2002-03.
- Employer information brochure including registration form.
- Worker information brochure including registration form.
- Information for workers (including self employed) in Arabic, Chinese, Croatian, French, Greek, Indonesian, Italian, Khmer, Korean, Macedonian, Persian, Serbian, Spanish and Vietnamese.
- Building and construction industry rostered day off calendar 2004.
- Building and construction industry wall planner calendar 2004.
- Employer newsletter 2003.
- Important Information on your Annual Statement 2003.
- Information Sheet W001 – 'When You Can Apply for a Long Service Payment'
- Information Sheet W002 – 'National Agreement on Long Service'
- Information Sheet W003 – 'Application for an Earlier Registration Date'
- Information Sheet W004 – 'Long Service Leave v Long Service Payment'
- Information Sheet W005 – 'How Your Service is Recorded'
- Information Sheet W006 – 'Tax Payable on Long Service Payments'
- Information Sheet W007 – 'If Your Employer Stops Trading'
- Information Sheet W008 – 'Unable to Work Due to Illness or Injury'
- Information Sheet W009 – 'Appeals to the Industry Committee'
- Information Sheet W010 – 'Special Service Credits'
- Information Sheet W011 – 'Service Preservation Days'
- Information Sheet W012 – 'Things You Need To Know Before Making a Claim"
- Information Sheet W013 – 'Worker Information Sheet'
- Information Sheet E901 – 'What an Employer Must Do'
- Information Sheet E902 – 'Employer or Worker Member?'
- Information Sheet E903 – 'Employer – What to do If...'
- Information Sheet E904 – 'Do You Employ Workers who Work in More than One State?'
- Information Sheet E905 – 'Information to Assist in Completing your Employer Application for Payment'
- Information Sheet E906 – '*Electronic Lodgement of Employee Certificates of Service*'
- Levy collection agent manual (for councils only).
- Counter stand – partial exemption information (for councils only).
- Levy poster (for councils only).
- Information for levy payers brochure.

Forms available from the Corporation

- Levy Payment form.
- Application for partial levy exemption by non-profit, voluntary, sporting or church organisations form.
- Application for partial exemption of levy by owner builder form.
- Application to pay levy by instalments form.
- Application for levy refund – where work is not to proceed.
- Application for levy refund – except where work is not to proceed.
- *Employee Certificate of Service* form.
- *Self-Employed Certificate of Service* form.
- Application for an Employer to Register a Worker Registration Form.
- Record Update 2003.
- Request for voluntary cancellation.
- Appeal form.

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

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