

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

Dear Minister

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

The report for the year ended 30 June 2002 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



Kate McKenzie
Director-General
Department of Industrial Relations

23 October 2002

Building & Construction Industry



LONG SERVICE PAYMENTS CORPORATION

ANNUAL REPORT 2001- 2002

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DIRECTOR'S REPORT

2001-02 has been a year of significant challenge for the Corporation. This situation has arisen particularly as a consequence of a government initiative to assist regional development with the announcement in October 2001 that the Corporation was to relocate to new premises at Gosford. Furthermore, the role of the branch office that was being established at Lidcombe had to change as a consequence. Both offices will now be fully operational by early November 2002. There has been considerable work involved in planning the new office fit-outs and relocation arrangements, as well as understanding implications to scheme operations, in such short timeframes.

A consequence of the relocations has been a very substantial turnover of staff. Major new recruitment has occurred with the need to quickly and effectively assimilate large numbers of new staff yet still effectively manage the overall operations of the scheme.

As the Corporation is leasing office space in the new WorkCover Authority building, a further obvious initiative is to integrate information and communication technology functions of the two organizations, in order to provide the best possible basis for future service delivery improvements for the Corporation. This is a major project that is underway and will be continuing into 2003.

Notwithstanding the magnitude of these various initiatives, there was considerable progress in relation to the planned corporate priorities for the year with major extensions of electronic services and the launching of a totally redeveloped new website. Moreover and more significantly, the Corporation's customer service standards have been maintained across the various areas.

The year was also significant with a deterioration occurring in the financial position. Investment earnings were negative for the year but it is pleasing that the investment performance was better than market benchmarks. A further actuarial investigation of the fund was completed during the year. The increase in scheme liabilities that has occurred, together with the adverse investment performance, will necessitate a close monitoring of the financial position and the funding needs in the future.

The support and efforts over the year of the managers and staff in meeting the many demands must be acknowledged with sincere thanks. Industry support, particularly from the Industry Committee and its members, and the support of many service providers to the Corporation, particularly Local Councils in collecting the levy, again does not pass unacknowledged.

From the substantial changes that have occurred in 2001-02, it is clear that a more invigorated organisation will emerge in 2003 and beyond.

Keith Napper
Director

CHARTER

BUILDING AND CONSTRUCTION INDUSTRY LONG SERVICE PAYMENTS CORPORATION

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

ACCESS

BUILDING AND CONSTRUCTION INDUSTRY LONG SERVICE PAYMENTS CORPORATION

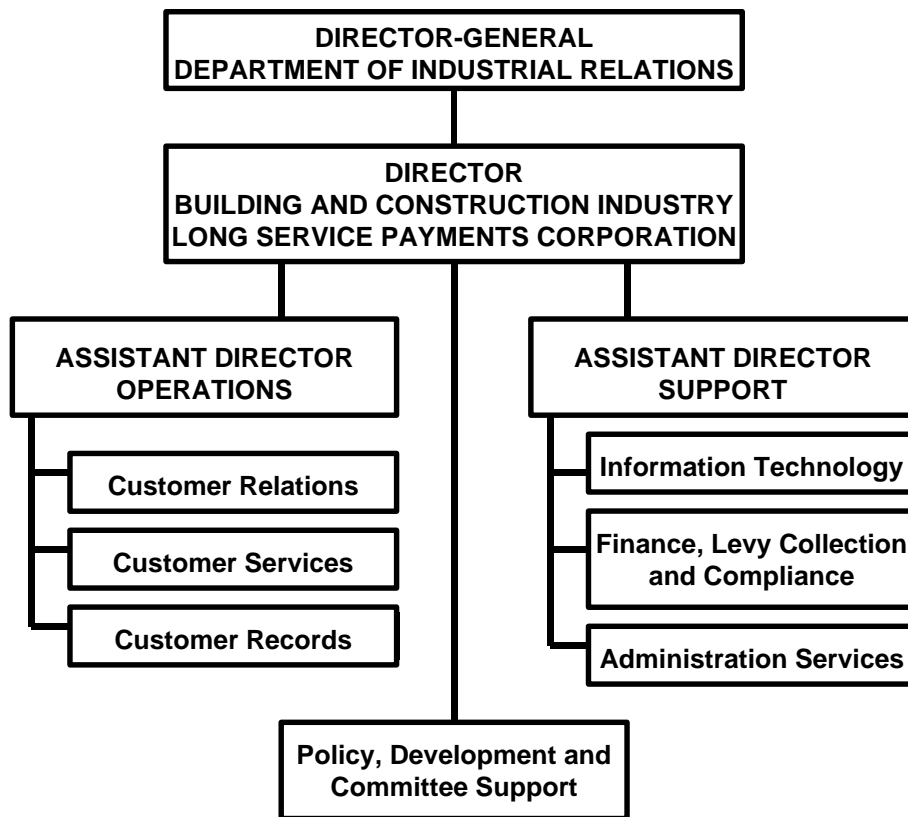
Head Office:	Ground Floor, Corner Donnison and Baker Streets GOSFORD NSW 2250
Branch Office:	Level 1, 10-12 Railway Street LIDCOMBE NSW 2141
Mail:	Locked Bag 3000 Central Coast Delivery Service Lisarow NSW 2252
Telephone:	13 14 41 (local call rates) For calls from mobile phones the usual plan rates apply
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 Department of Fair Trading). On 1 August 1982 the Building and Construction Industry Long Service Payments Amendment Act 1982 established the Corporation with all the assets and liabilities of the scheme. The statutory manager of the Corporation is the Director-General of the Department of Industrial Relations, to whom the management of the Corporation is accountable.

Before July 1986 the scheme was funded by a charge on employers. From July 1986, the Building and Construction Industry Long Service Payments Act 1986 provided that the funding would come from a levy on building and construction work. The levy is currently 0.2% on building and construction work costing \$25,000 or more with most local councils acting as agents to collect the levy for the Corporation. The Corporation provides a service to some 238,000 registered workers and more than 32,000 registered employers in building and construction work in NSW. Activities include the keeping of records of service of workers, the provision of long service benefits to workers and employers and the collection of levies on building work.

ORGANISATION STRUCTURE



PRINCIPAL OFFICERS

Ms Kate McKenzie BA, LLB

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

Mr Keith Napper BCom, CA

Director

Mr Brent Weiley

Assistant Director - Operations

Mr Robert Armstrong, BSc

Assistant Director - Support

CORPORATE PLAN 2001- 04

OUR MISSION AND PURPOSE TO DELIVER INDUSTRY-BASED BENEFITS

OUR VISION TO BE RECOGNISED AS PROVIDING COST EFFECTIVE AND QUALITY SERVICES

OUR VALUES

*Be Professional
Show Respect
Earn Trust
Be Honest
Be Fair*

OUR OBJECTIVES AND OUR STRATEGIES

OBJECTIVE 1 Intended beneficiaries receive their rights and entitlements.

- Strategies**
- *Provide accurate and consistent information services.*
 - *Utilise contemporary technologies in information management and service delivery.*
 - *Conduct compliance programs for coverage and service accrual.*
 - *Conduct promotional activities within the industry.*

OBJECTIVE 2 Financial viability is maintained.

- Strategies**
- *Provide accurate and consistent information services for levy collections.*
 - *Utilise contemporary technologies in information management and service delivery for levy collection.*
 - *Conduct promotional activities in relation to levy collections.*
 - *Maintain consistency of investment objectives with fund liabilities.*
 - *Assess appropriateness of actuarial advice.*
 - *Maintain cost effective outsourced services.*

OBJECTIVE 3 Informed and trained staff.

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

OBJECTIVE 4 Minister is kept informed.

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

MANAGEMENT IMPROVEMENTS AND ACHIEVEMENTS

CORPORATE PRIORITY ACHIEVEMENTS FOR 2001-02

BRANCH OFFICE ESTABLISHMENT

- Acquired office accommodation at Lidcombe to re-establish a branch office for the Corporation
- Developed new functions and staffing arrangements for the office as a consequence
- Appointed staff for the office
- Developed office fit-out and information and communication technology requirements with the office to become fully operational in October 2002

MARKET RESEARCH CONSULTANCY

- Completed the major independent market research on industry and member perceptions and awareness of the scheme
- Appointed a Marketing Coordinator to develop a marketing plan and implement actions from the market research

ELECTRONIC SERVICES

- Introduced electronic lodgment of worker service information as an option initially to major employers in July 2001 and then promoted and extended the option to all employers in November 2001
- Redeveloped the whole Corporation website to provide better information and access to material and forms

ACTUARIAL INVESTIGATION

- Arranged a full actuarial investigation of the scheme by independent actuaries with the findings highlighting the need to closely monitor liabilities and funding in the future

MEMBER REGISTER

- Publicised and promoted information that encouraged eligible workers, where appropriate, to request long service payments and cancellation of records but no annual worker cancellation program was undertaken pending legislative changes occurring

COMPUTERISED WORKER SYSTEM

- Undertook a program of rationalising and improving the functionality of the present system pending information technology integration with WorkCover Authority

RISK MANAGEMENT

- Developed a new strategy to identify and rate employers and workers for compliance reviews

OTHER ACHIEVEMENTS

SERVICE STANDARDS

- Maintained published customer service standards and achieved 66% of 'helpline' phone calls answered within 2 minutes

RELOCATION TO GOSFORD

- Planned the office fit-out and relocation arrangements with full operations to occur from November 2002 and managed the consequential substantial staff turnover, new recruitment and staff integration into the organisation

INFORMATION AND COMMUNICATION TECHNOLOGY

- Initiated a program of integrating operation functions with WorkCover Authority including standardising on a new telecommunications system, personal computers and office productivity applications

REGIONAL AND RURAL SERVICES

- Increased the proportion of audit and advisory activities in rural and regional areas to 46% (24% in 2000-01) and the total number by 39% more than in 2000-01

COMMUNITY RELATIONS

- Introduced community language information in 14 languages on the reverse of Corporation letterhead

FINANCIAL MANAGEMENT

- Made near record total long service payments, contained administrative costs to within budget but investment earnings produced a loss for the year

INTERNAL AUDIT

- Extended scope and range of the internal audit program in view of organisational changes and achieved satisfactory audit conclusions

CORPORATE PRIORITIES FOR 2002-03

- Implement integrated arrangements with WorkCover Authority for information technology operations and development
- Establish Lidcombe branch office
- Establish Gosford head office and new operational arrangements
- Develop updated marketing and compliance plans
- Develop enhanced internal audit arrangements

COMPARISON OF MAJOR OPERATIONAL PERFORMANCE STATISTICS

Activity and /or administrative function	1998-99	1999-00	2000-01	2001-02
Long service payments made to workers	6,146	6,676	8,355	7,724
Value of long service payments made	\$22.6M	\$26.8M	\$34.7M	\$32.4M
Cumulative number of payments since scheme began	67,414	74,090	82,250	89,974
Cumulative value of payments made since scheme began	\$187.6M	\$214.4M	\$249.1 M	\$281.8M
Number of payments in conjunction with interstate schemes	274	335	353	363
New worker registrations approved	32,658	28,975	22,588	19,715
Number of workers excluding those identified for cancellation	165,236	191,776	218,719	238,434
Workers identified for cancellation – see note below	71,711	66,569	65,046	65,653
New employer registrations approved	3,334	3,441	2,975	2,825
Total number of registered employers	28,453	30,031	31,319	32,365
<i>Employee Certificates of Service</i> received	125,995	139,282	139,337	128,934
<i>Self Employed Worker Certificates of Service</i> received	35,211	42,368	35,071	32,116
<i>Annual Statements of Recorded Service (SRS)</i> issued	184,363	194,783	206,992	218,044
Requests to review service recorded in SRS	2,061	2,366	2,466	1,970
Employer advisory / audit visits made	1,646	1,957	1,490	1,097
Telephone 'Helpline' inquiries	95,355	96,511	88,444	80,371
Written inquiries	11,276	9,754	9,648	7,928
Counter inquiries	1,621	3,019	2,932	2,116
Levy exemptions approved	1,582	1,610	1,209	1,473
Levy refunds approved	855	1,838	1,696	1,627
Levy payment by instalments approved	14	18	9	10
Total funds invested	\$337.1M	\$376.4M	\$389.1M	\$369.8M
Actuarial estimate of scheme liabilities	\$291.8M	\$297.0M	\$302.0M	\$358.4M
Investment income/gross	\$25.3M	\$40.4M	\$32.7M	(\$8.8M)
Long service levy income	\$29.4M	\$28.2M	\$19.7M	\$29.6M
Net administration costs	\$7.3M	\$7.9M	\$7.8M	\$8.1M

Note The numbers identified for cancellation are cumulative since the last cancellation in 1994.
Workers who have taken long service payments based on leaving the industry are removed from the register as required by legislation.

FINANCIAL PERFORMANCE - SUMMARY

Revenues and Expenses

During the 2001-02 financial year, net revenue from all sources amounted to \$20.9M and expenditure amounted to \$96.9M, leaving an operating deficit of (\$76.0M). The variance of \$58.5M between the actual operating deficit (\$76.0M) and the budgeted operating deficit (\$17.5M) was mainly due to the net outcomes of the following:

- Investments were predominantly placed in the NSW Treasury Corporation Long Term Growth Facility. Investments incurred a loss of \$8.8M as compared to a profit of \$32.7M in 2000-01. However the earnings rate was higher than for the market benchmark.
- Long Service Levy income was greater than in 2000-01 by \$9.9M as a result of an increase in building and construction activity.
- Long Service Payments were less than in 2000-01 by \$2.3M. However the Liability Expense increased from \$5M in 2000-01 to \$56.4M.
- The total of scheme administration costs increased to \$8.1M, as compared to \$7.8M in 2000-01.
- The principal assets continue to be long-term investments of \$366.5M and the principal liabilities are the estimates for the Provision of Scheme Liabilities that total \$358.4M as assessed by actuarial consultants.
- Retained earnings fell by \$76.0M to \$13.8M as at 30 June 2002. The negative investment earnings and a significant increase in the provision for Scheme Liabilities as per actuarial assessment, contributed largely to the decrease in retained earnings. The long service levy rate continues to be lower than would be required if there were no retained earnings available.

The Corporation will be monitoring the financial situation closely over coming months.

Capital Expenses

The Corporation's capital budget of \$1.6M was for the redevelopment of the computerised worker system, office fit-outs, computer hardware and motor vehicle purchases. The Corporation expended \$0.13M on computer and motor vehicle purchases during the financial year. Redevelopment of the computerised worker system and office fit-out was deferred.

	Budget \$'000	Actual \$'000
Redevelopment of Worker System	\$1,000	\$0
Annual Provisions	\$600	\$134
Total capital expenses	\$1,600	\$134

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 2001 to determine the sufficiency of the fund and the adequacy of the long service levy. The investigation was conducted by the NSW Government Actuary's Office and concluded that the levy rate of 0.2% could be maintained.

An actuarial update of the position was undertaken as at 30 June 2002 for inclusion in the financial statements. Total liabilities were estimated at \$358.4M.

Clause 18 Requirement - Payment Performance

The Corporation has complied with Clause 18 of Public Finance and Audit (General) Regulation 1995. There have been no delays in account payments leading to the payment of interest.

Schedule of Accounts Payable at end of Relevant Quarter

PAYMENT	September 2001 Qtr	December 2001 Qtr	March 2002 Qtr	June 2002 Qtr
Current	\$243,308	\$99,320	\$208,145	\$687,031
Less than 30 days overdue	\$0	\$17,273	\$0	\$1,525
More than 30 days overdue	\$467	\$0	\$0	\$0
Total Accounts Payable	\$243,775	\$116,593	\$208,145	\$688,556

Accounts Paid on Time in Relevant Quarter

	September 2001 Qtr	December 2001 Qtr	March 2002 Qtr	June 2002 Qtr
Target % paid on time	100%	100%	100%	100%
Actual % paid on time	99.6%	99.1%	100%	99.5%
Total dollar amounts paid on time	\$243,308	\$99,320	\$208,145	\$687,031
Total dollar amounts paid	\$243,775	\$116,593	\$208,145	\$688,556
Total accounts paid on time	223	231	220	417
Total accounts paid	224	233	220	419

The Corporation is taking necessary measures to ensure that the processing of payments are made promptly. Late payments are the result of delayed response to our queries on invoices submitted by suppliers and no interest payments were incurred through late payments.

Investments

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

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

Fund Categories	Balance on hand as at		Corporation Investment Performance		Comparative Facility Performance
	30.6.01	30.6.02	INCOME (LOSS)	Return	Return
	\$'000	\$'000	\$'000	%	%
Long Term Growth	387,404	366,487	(8,916)	(2.3)	(2.3)
Cash	1,740	3,323	83	4.6	4.11
TOTAL	389,144	369,810	(8,833)	n/a	n/a

BUDGET FORECAST AND RESULTS

	BUDGET 2001/2002 \$'000	ACTUAL 2001/2002 \$'000	BUDGET 2002/2003 \$'000
REVENUES			
Investment Income	32,100	83	32,400
Levy Income	32,400	29,630	33,400
Other Income	128	63	129
TOTAL REVENUES	64,628	29,776	65,929
OPERATING EXPENSES			
Long Service Payments	53,600	32,406	52,200
Long Service Payments Liability Expense	18,200	56,400	14,700
Loss on Investments	-	8,916	-
TOTAL OPERATING EXPENSES	71,800	97,722	66,900
OPERATING SURPLUS(DEFICIT)/RESULT	(7,172)	(67,946)	(971)
ADMINISTRATIVE EXPENSES			
Human Resources			
Employer Salaries	3,389	2,568	3,385
Employer Superannuation Charge	440	1,000	575
Employee Salary Related Expenses	1,051	993	1,304
	4,880	4,561	5,264
Operations			
Depreciation of Fixed Assets	717	407	731
External Audit Fees	45	43	50
General Expenses	2,406	1,934	2,333
	3,168	2,384	3,114
Occupancy			
Rental	289	264	408
Associated Occupancy Expenses	405	399	758
	694	663	1,166
Computing			
Computer Operations/Maintenance	1,252	267	801
External Computing Services	150	106	150
	1,402	373	951
Marketing			
Marketing Program Expenses	190	71	250
Travel			
Travel Expenses	75	50	77
TOTAL ADMINISTRATIVE EXPENSES	10,409	8,102	10,822
NET SURPLUS(DEFICIT)/RESULT	(17,581)	(76,048)	(11,793)

NOTE: These budget figures have not been audited.



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

Scope

I have audited the accounts of the Building and Construction Long Service Payments Corporation for the year ended 30 June 2002. The Director-General of the Department of Industrial Relations is responsible for the financial report consisting of the statement of financial position, statement of financial performance and statement of cash flows, together with the notes thereto, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament based on my audit as required by the *Public Finance and Audit Act 1983* (the Act).

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

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

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

Qualification

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

In my opinion, this accounting policy is a departure from Australian Accounting Standard AASB1041 'Revaluation of Non-Current Assets'. The latter Standard requires the net decrement on revaluation, amounting to \$34.3 million for the year (\$31.8 million net increment in 2000-01), to be adjusted to an asset revaluation reserve. Had this been done, the result for the year would change from the operating deficit of \$76.0 million (\$5.2 million surplus in 2000-01) to an operating deficit of \$41.7 million (\$26.6 million deficit in 2000-01). Net assets would amount to the same under either Standard.

My opinion on the financial report for the year ended 30 June 2001 was similarly qualified.

Qualified Audit Opinion

In my opinion, except for the effects on the financial report of the matter referred to in the qualification paragraph, the financial report of the Building and Construction Long Service Payments Corporation complies with section 41B of the Act and presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Corporation as at 30 June 2002 and the results of its operations and its cash flows for the year then ended.

R J Sendt
Auditor-General

SYDNEY
22 October 2002

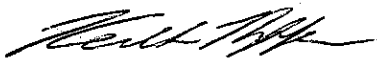
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**BUILDING AND CONSTRUCTION INDUSTRY
LONG SERVICE PAYMENTS CORPORATION**

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 2002 and transactions for the year then ended;
2. The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and Regulations, Australian Accounting Standards, Consensus Views of the Urgent Issues Group, other mandatory professional reporting requirements and the Treasurer's Directions with the exception of the treatment of the long term investment 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
18 October 2002



Kate McKenzie
Director-General
Department of Industrial Relations

18 October 2002

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2002**

	Note	2002 \$'000	2001 \$'000
CURRENT ASSETS			
Cash Assets	2	608	219
Receivables	3(a)	2,987	2,614
Other Financial Assets	4(a)	3,323	1,740
TOTAL CURRENT ASSETS		6,918	4,573
NON-CURRENT ASSETS			
Receivables	3(b)	581	1,145
Other Financial Assets	4(b)	366,487	387,404
Property, Plant and Equipment	5	518	829
TOTAL NON-CURRENT ASSETS		367,586	389,378
TOTAL ASSETS		374,504	393,951
CURRENT LIABILITIES			
Payables	6	534	449
Provision for Employee Entitlements	7(a)	408	367
Provision for Scheme Liabilities	8(a)	34,500	53,600
TOTAL CURRENT LIABILITIES		35,442	54,416
NON-CURRENT LIABILITIES			
Provision for Employee Entitlements	7(b)	1,372	1,297
Provision for Scheme Liabilities	8(b)	323,900	248,400
TOTAL NON-CURRENT LIABILITIES		325,272	249,697
TOTAL LIABILITIES		360,714	304,113
NET ASSETS		13,790	89,838
EQUITY			
Retained Surplus		13,790	89,838
TOTAL EQUITY	9	13,790	89,838

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 2002**

	Note	2002 \$'000	2001 \$'000
REVENUES FROM ORDINARY ACTIVITIES			
Investment Income	10	83	32,719
Long Service Levy	11	29,630	19,738
Other Revenue	12	63	201
TOTAL REVENUE FROM ORDINARY ACTIVITIES		29,776	52,658
EXPENSES FROM ORDINARY ACTIVITIES			
Long Service Payments	13	32,406	34,677
Long Service Payments Liability Expense	8(c)	56,400	5,000
Loss on Investments	10	8,916	-
Employee Related Expenses	14	4,560	4,689
Operating Expenses	15	3,135	2,673
Depreciation	5	407	468
TOTAL EXPENSES FROM ORDINARY ACTIVITIES		105,824	47,507
NET SURPLUS/(DEFICIT)		(76,048)	5,151

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 2002**

	Note	2002 \$'000	2001 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Long Service Levy Receipts		29,492	20,689
Interest Receipts		128	249
Other Receipts		448	205
Long Service Scheme Payments		(32,361)	(34,642)
Payments to Suppliers and Employees		(7,657)	(6,650)
Net Cash Flows From Operating Activities	16	(9,950)	(20,149)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Investments		12,000	22,500
Proceeds from Disposal of Plant and Equipment		55	1
Purchase of Investments		--	(2,000)
Purchase of Plant and Equipment		(134)	(155)
Net Cash Flows From Investing Activities		11,921	20,346
NET INCREASE/(DECREASE) IN CASH HELD		1,972	197
Opening Cash and Cash Equivalents		1,959	1,762
CLOSING CASH AND CASH EQUIVALENTS	17	3,931	1,959

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

1 STATEMENT OF ACCOUNTING POLICIES

(a) The Reporting Entity

The Building and Construction Industry Long Service Payments Corporation (Corporation) has its principal office at 1 Oxford Street, Darlinghurst 2010. The Corporation was established in 1982 and administers the Building and Construction Industry Long Service Payments Act 1986 which provides a portable long service payments scheme to building and construction workers in NSW.

(b) Basis of Accounting

The Corporation's financial statements are a general-purpose financial report, which has been prepared in accordance with the following:

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

These financial statements have been prepared on an accrual basis in accordance with the historical cost convention except for investments, which are shown at net market value. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency. The accounting policies adopted in preparing the financial statements are consistent with those of the previous year.

(c) Other Financial Assets

The New South Wales Treasury Corporation (TCorp) administers the Corporation's investment funds through its Hour-Glass Investment 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.

(d) Property, Plant and Equipment

The cost method of accounting is used for the initial recording of all acquisitions of assets. Cost is determined as the fair value of the assets given as consideration plus the costs incidental to the acquisition. Physical assets, which have a purchase value of \$5,000 or higher and provide a future benefit (greater than two years useful life) are capitalised.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002**

(e) Depreciation

Fixed assets are depreciated on a straight-line basis over the estimated useful life of the asset. Motor vehicles, plant and equipment are depreciated over 5 years and computer equipment is depreciated over 3 years.

(f) Leases

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

(g) Payables and Receivables

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

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

(h) Employee Entitlements

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

Payments made in respect of recreation leave during the year form part of employee related expenses. The balance shown in the provision for recreation leave represents untaken leave as at 30 June 2002 together with the oncost liability.

Long service leave measurement is based on the remuneration rates at year-end for all employees with five or more years of service. It is considered that this measurement technique produces results not materially different from the estimate determined by the present value basis of measurement. The current liability for long service leave is calculated by determining the value of leave intended to be taken by current employees and unused leave to be paid on separation from the Corporation in the next financial year. The non-current liability for long service leave is the remainder of the total employee long service leave entitlement. The balance shown in the provision for long service leave represents untaken leave as at 30 June 2002 together with the oncost liability.

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

(i) Superannuation

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

(j) Long Service Levy

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

(k) Revenue Recognition

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

(l) Financial Instruments

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

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

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

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

Investments with TCorp

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

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

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002**

	2002	2001
	\$'000	\$'000
2 CASH ASSETS		
Cash at Bank and on Hand	608	219
3 RECEIVABLES		
(a) Current		
Long Service Levy	2,545	2,376
Prepayments	307	4
Interest	6	6
Other	166	228
Less: Provision for Doubtful Debts	(37)	-
	2,987	2,614
(b) Non-Current		
Prepaid Superannuation Contributions	581	1,145
	3,568	3,759
4 OTHER FINANCIAL ASSETS		
Investments		
<p>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:</p>		
(a) Current		
Cash Facility Trust	3,323	1,740
(b) Non-Current		
Long Term Growth Facility Trust	366,487	387,404
	369,810	389,144

These investments are generally able to be redeemed with up to five business days notice (dependent upon the facility trust). The value of the investments held can decrease as well as increase depending upon market conditions. The value that best represents the maximum credit risk exposure is the net 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002**
5 PROPERTY, PLANT AND EQUIPMENT

	2002	2001
	\$'000	\$'000
Plant and Equipment at cost	1,966	1,983
Less Accumulated Depreciation	(1,448)	(1,154)
	518	829

	Plant and Equipment \$'000	Computer Equipment \$'000	Motor Vehicles \$'000	Total \$'000
30 June 2002				
Carrying amount at start of financial year	392	331	106	829
Additions	-	70	64	134
Disposals	(52)	(34)	(64)	(150)
Transfer/(Adjustments for disposals)	52	34	26	112
Depreciation	(145)	(236)	(26)	(407)
Carrying amount at end of financial year	247	165	106	518
30 June 2001				
Carrying amount at start of financial year	516	498	99	1,113
Additions	21	132	68	221
Disposals	-	(196)	(62)	(258)
Transfer/(Adjustments for disposals)	-	196	25	221
Depreciation	(145)	(299)	(24)	(468)
Carrying amount at end of financial year	392	331	106	829

	2002	2001
	\$'000	\$'000

6 PAYABLES

Long Service Payments	199	149
Long Service Levy Commissions	109	95
Administrative Expenses	226	205
	534	449

7 PROVISION FOR EMPLOYEE ENTITLEMENTS
(a) Current

Accrued Salaries and Wages	60	76
Recreation Leave	277	261
Long Service Leave	71	30
	408	367

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002**

	2002	2001
	\$'000	\$'000
(b) Non-Current		
Long Service Leave	1,112	1,040
Employer Superannuation Contribution	260	257
	1,372	1,297
	1,780	1,664

Unfunded Superannuation Liability/Prepaid Superannuation Contributions Statement 30 June 2002:

Monetary Value	SASS	SANCS	SSS
Actuarial Superannuation Liability	(953,821)	(518,092)	(5,336,256)
Reserve Account Balance as at 30 June 2002	1,088,556	257,346	5,782,353
(Unfunded Liability)/Prepaid Contributions as at 30 June 2002	134,735	(260,746)	446,097

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

	2002/03	2003/04	2004/05
	%	%	%
Rate of investment return	7.0	7.0	7.0
Rate of salary increase	6.5	4.0	4.0
Rate of increase in CPI	2.5	2.5	2.5

	2002	2001
	\$'000	\$'000
8 PROVISION FOR SCHEME LIABILITIES		
(a) Current	34,500	53,600
(b) Non-Current	323,900	248,400
	358,400	302,000
Balance at the beginning of the financial year	302,000	297,000
Balance at the end of the financial year	358,400	302,000
(c) Long Service Payments Liability Expense	56,400	5,000

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

A full actuarial investigation was undertaken as at 30 June 2001 by NSW Government Actuary's Office. For the purpose of this valuation following the number of workers were considered

Inactive for 4 or more years	103,177
Inactive for 2-3 year	37,101
Active in last 2 years	<u>144,638</u>
Total number of workers considered	284,916

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

Financial Year	Net Investment Return %	Wages Increase Rate %
2001/02	1.4	4.39
2002/03 and after	7.0	4.39

The Government Actuary's estimate for the scheme liabilities was \$340M at 30 June 2001. This estimate differed to liabilities of \$302M estimated by Buck Consultants and recognised in the Corporation's financial report for 30 June 2001.

The increase of \$38M was due to

- (1) Buck Consultants' actuarial update being based on claims data for the year ended 30 June 2001 and assumptions and margins used in the 1999 full actuarial investigation, and
- (2) A refinement of the valuation methodology and an improvement in data.

At 30 June 2002, NSW Government Actuary's Office undertook an actuarial update. Based on the claims data provided by the Corporation for the 12 months ending 30 June 2002 and information provided on new entrants through the period, the actuaries estimated the scheme liabilities to be \$358M.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002**

	2002	2001
	\$'000	\$'000
9 Equity		
Retained Surplus at the beginning of the financial year	89,838	84,687
Net Surplus/(Deficit)	(76,048)	5,151
Retained Surplus at the end of the financial year	13,790	89,838
10 Investment Returns		
Cash Facility Trust	83	185
Long Term Growth Facility Trust	(8,916)	32,534
	(8,833)	32,719
11 Long Service Levy		
Long Service Levy	30,249	20,422
Long Service Levy Refunds	(619)	(684)
	29,630	19,738
12 Other Income		
Interest	45	66
Profit/(Loss) on Disposal of Plant and Equipment	17	30
Miscellaneous Income	1	105
	63	201
13 Long Service Payments		
Workers	28,752	30,963
Employers	2,112	2,316
Medical Incapacity	1,009	973
Deceased	533	425
	32,406	34,677
14 Employee Related Expenses		
Salaries including Recreation Leave	2,848	2,810
Long Service Leave	152	147
Superannuation	1,000	1,261
Payroll Tax and Fringe Benefits Tax	171	172
Contractors	290	247
Other Employee Related Expenses	99	52
	4,560	4,689

The average number of "equivalent full time" employees during the financial year was 55.33.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002**

	2002	2001
	\$'000	\$'000
15 Operating Expenses		
Computing	373	332
Marketing	71	267
Travel	50	49
Occupancy	663	513
Long Service Levy Commissions	940	697
Consultancy	26	2
Audit remuneration - audit of financial report	43	43
Services Agreement *	355	378
Other Administrative Expenses	614	392
	3,135	2,673

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

Director-General's Office	76	99
Strategic Development	151	151
Employee Services	93	93
Legal Services	35	35
	355	378

16 Net Cash Flows from Operating Activities

Reconciliation of Net Cash Flows from Operating Activities to Net Surplus/(Deficit):

Net Surplus/(Deficit)	(76,048)	5,151
Plus/(minus) non-cash items:		
Depreciation	407	468
Investment Income	8,916	(32,534)
Superannuation Liability Adjustment	567	847
Long Service Payments Liability Expense	56,400	5,000
Net (Gain)/Loss on Disposal of Plant and Equipment	(17)	(30)
Change in Asset and Liabilities:		
(Increase)/Decrease in Receivables	(373)	781
Increase/(Decrease) in Payables	85	74
Increase/(Decrease) in Provisions	113	94
Net Cash Flows from Operating Activities	(9,950)	(20,149)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

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:

	2002	2001
	\$'000	\$'000
Cash Assets	608	219
Other Financial Assets	3,323	1,740
	3,931	1,959

18 Commitments

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

Not later than one year	343	300
Later than one year and not later than 5 years	1,115	1,289
More than 5 years	-	161
Total (including GST)	1,458	1,750

The total operating lease commitments above include input tax credits of \$133,000 that are expected to be recoverable from the ATO.

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

Not later than one year	21	41
Total (including GST)	21	41

The total operating expenditure commitments above include input tax credits of \$1,900 that are expected to be recoverable from the ATO.

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

Not later than one year	-	73
Total (including GST)	-	73

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002

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 2002 were:

	Floating Interest rate	Non Interest Bearing	Total Carrying Amount	Weighted Average Effective Interest rate
	\$'000	\$'000	\$'000	%
Financial Assets				
Cash Assets	608	-	608	4.11
Receivables	-	2,987	2,987	N/A
Other Financial Assets	369,810	-	369,810	(2.27)
Total Financial Assets	370,418	2,987	373,405	
Financial Liabilities				
Payables	-	534	-	N/A
Total Financial Liabilities	-	534	-	

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

	Floating interest rate	Non Interest Bearing	Total Carrying Amount	Weighted Average Effective Interest rate
	\$'000	\$'000	\$'000	%
Financial Assets				
Cash Assets	219	-	219	5.69
Receivables	-	2,614	2,614	N/A
Other Financial Assets	389,144	-	389,144	9.0
Total Financial Assets	389,363	2,614	391,977	
Financial Liabilities				
Payables	-	449	-	N/A
Total Financial Liabilities	-	449	-	

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002**

(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 2002	Governments \$'000	Banks \$'000	Other \$'000	Total \$'000
Financial Assets				
Cash Assets	-	608	-	608
Receivables	-	-	2,987	2,987
Other Financial Assets	369,810	-	-	369,810
Total Financial Assets	369,810	608	2,987	373,405

30 June 2001	Governments \$'000	Banks \$'000	Other \$'000	Total \$'000
Financial Assets				
Cash Assets	-	219	-	219
Receivables	-	-	2,614	2,614
Other Financial Assets	389,144	-	-	389,144
Total Financial Assets	389,144	219	2,614	391,977

(c) Net Fair Value

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

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 (INDUSTRY COMMITTEE)

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

The Industry Committee decides appeals lodged against Corporation decisions to:

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

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

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

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

During 2001-02 the Industry Committee met on six occasions. The current three year term of the Industry Committee expired on 31 July 2002.

CHAIRPERSON

Ms Kate McKenzie BA, LLB
Director-General, NSW Department of Industrial Relations
General Manager, WorkCover Authority NSW
Committee Member, DIR WorkCover Liaison Committee
Committee Member, Industrial Relations Steering Committee
Attended 4 meetings

Ms Pat Manser BA(Hons), Dip Ed, Dip Soc Sci, Dip Labour Relations & Law
Deputy Director-General, NSW Department of Industrial Relations
Delegated Alternate Chairperson
Attended 2 meetings

MEMBERS

MEMBERS NOMINATED BY THE LABOR COUNCIL OF NSW

Mr Andrew Ferguson BEc, MEc, Dip Ind Law, Dip Urban Studies
NSW General Secretary, CFMEU
NSW Secretary, CFMEU (Construction and General Division) NSW Branch
Director, Australian Construction Industry Redundancy Trust
Director, COMET Training
Director, MEND Rehabilitation
Director, Building Workers' Assistance Centre Employment
Member, Construction Industry Reference Group
Executive Member, Labor Council of NSW
Trustee, Labor Council of NSW
Attended 2 meetings

Mr Russ Collison
State Secretary, AWU NSW
Board of First State Super
Attended 0 meetings

Mr Barry Brown (resigned 20 March 2002)
State Secretary, CEPU Plumbing Division
Attended 0 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/NSW Representative, Building Apprenticeship Conciliation/Training Committees
MBA/NSW Representative, Construction Industry Training Advisory Board (NSW)
Committee Member, Construction Policy Steering Committee
Committee Member, Construction Industry Consultative Committee
Director, Australian Construction Industry Redundancy Trust
Director, COMET Training
Director, MEND Rehabilitation
Committee Member, Building & Construction Industry Drug & Alcohol Foundation
Director, Allied Construction Employees Superannuation fund
Participant, Australian Traineeship System Working Party
Director, Building Workers' Assistance Centre
Attended 4 meetings

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

Mr Barry Harridge, JP, Teachers Certificate
Deputy Director, Construction and Special Projects, Employers First
Member WorkCover Mining Industry Reference Group
Member, WorkCover Construction Industry Reference Group
Member, Industrial Relations Society of NSW
Attended 6 meetings

MEMBERS DIRECTLY APPOINTED BY THE MINISTER

Mr John Robertson, GradDip Employment Relations/Industrial Law (UTS)
Secretary, Labor Council of NSW

Director, Energy Australia
Director, Labor Media
Director, Labor Campaign
Director, Getonboard
Attended 3 meetings

Mr Doug Wright AM BEc, BA

Representational and Special Services, Australian Industry Group

Director, Hunter Valley Training Company Ltd
Director, WorkCover Authority of NSW
Member, ANTA National Training Quality Council
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 5 meetings

Ms Elizabeth Crouch BEc

Executive Director-NSW, Housing Industry Association

Member, Home Building Advisory Council
Member, Macquarie University Council
Member, National Association Women In Construction
Attended 2 meetings

Mr Brian Beer

State President, Australian Manufacturing Workers Union

Member, Construction Industry Reference Group
Member, Construction Industry Training Advisory Board
Member, Mechanical & Electrical Redundancy Fund
Member, Australian Lift Industry Skills & Training Council
Member, TAFE Accreditation Council
Chairperson, Workers Health Centre
Attended 6 meetings

DEPUTY MEMBERS

DEPUTY MEMBERS NOMINATED BY THE LABOR COUNCIL OF NSW

Mr Bernard Riordan BA, LLB

Secretary, Electrical Trades Union of Australia, NSW Branch

Director, Energy Industry Superannuation scheme
Director, The National Electrotechnology Industry Training Company Ltd
Director, The Electrotechnology Industry Group Training Company Ltd
Member, Construction Industry Consultative Committee
Chairperson, Chifley Financial Services
Not required to attend any meetings.

Ms Keryn McWhinney

Senior Wage Claims Officer, CFMEU (Construction & General Division) NSW Branch

Attended 4 meetings

Mr Warren Baker (appointed 1 October 2001)

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 5 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.
Attended 3 meeting

Mr Mark Vining
Human Resources Manager, Barclay Mowlem Construction Ltd.
Not required to attend any meetings

Mr Peter Ryan, BBus Econ (appointed 22 October 2001)
Not required to attend any meetings

Mr John Elder, BBus, MIR (Hons) (appointed 1 December 2001)
Not required to attend any meetings

DEPUTY MEMBERS DIRECTLY APPOINTED BY THE MINISTER

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

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

Ms Catherine Brokenborough, Dip HRM
Site Delegate, CFMEU (Construction & General Division)
Not required to attend any meetings

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 12 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	
	00/01	01/02	00/01	01/02
Rejected Application to Join scheme	3	0	5	1
Refusal of Service Credits	5	2	14	9
TOTAL	8	2	19	10

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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 on these two contact numbers.

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

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

Scheme Benefits

Written inquiries	Eligibility advice will be posted within 2 working days.
Payment of benefits	Will be processed within 10 working days.

Inquiries

Telephone or personal inquiries regarding general or specific matters	Advice will be provided immediately.
Response to written inquiries	Written response or advice of action being taken will be posted within 10 working days.

Scheme Members Records

Objection to accuracy of records	Where a member lodges an objection to the accuracy of their record, an acknowledgment will be posted within 30 working days. The objection will be resolved before the issue of the next due annual statement of recorded service.
Annual Statement of Recorded Service	All registered workers will be posted an annual statement of recorded service by 30 November each year.

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

Scheme Registrations

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

Other Services

Inquiries in respect of financial matters concerning payment of accounts, claims and related matters	Processed within 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 or enhanced.

What if customers have any problems or suggestions?

Most matters can be resolved directly with the staff member providing customer services. It is suggested that this should be the first action taken. If this course of action is not successful, or not considered appropriate, customers should ask to speak with the officer's manager, or contact the 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 Delivery Service
 LISAROW 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 Delivery Service
 LISAROW 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	ACHIEVED
Turnaround of written inquiries (excluding <i>Annual Statement of Recorded Service</i> related inquiries)	Within 10 working days.	Achieved
Turnaround of <i>Annual Statement of Recorded Service</i> requests to review service allocated to a member's record and related inquiries	Acknowledgment issued within 30 working days and resolution prior to next statement issue.	Achieved.
Turnaround of employer and worker applications for registration with all required information	Within 10 working days for worker applications. Within 10 working days for employer applications.	Achieved.

SERVICE	TARGET	ACHIEVED
Issue of <i>Annual Statement of Recorded Service</i>	All issued by 30 November each year.	Achieved.
Turnaround of long service payments	Within 10 working days.	Achieved
Turnaround of administrative payments on commercial terms	Within 30 days (In accordance with Clause 18 of Public Finance and Audit Act).	Achieved.
Turnaround of financial inquiries	Within 5 working days.	Achieved.
Telephone or personal inquiries on general or specific matters relating to levy matters	Where possible, advice will be provided immediately.	Achieved.
Partial exemptions from payment of the levy eg owner builders	Applications processed within 3 working days.	Achieved
Training days per staff member	4 days.	2.7 days.
Emergency computer hardware /software problems responded to within 1 hour	90%.	Achieved.
Standard computer hardware/software request responded to within 2 working days	90%.	Achieved.
Computer system availability between 8.30 am and 5.00 pm	98% in each month.	Achieved.
Computer system recovery	100% within 8 working hours.	Achieved.
Bulk documents updated to main computer systems	Within 3 working days.	Achieved target 83% of time and 100% within 4 working days. .

Appendix 3

CONSUMER RESPONSE

The Corporation regularly briefs the independent Industry Committee (Customer Council) on its achievement of operational performance indicators and consults the Industry Committee on particular issues.

The Corporation continued education and marketing programs to workers and employers to ensure that requirements were well explained and workers obtained benefits for which they were eligible. Mail-outs occurred to employers with compliance and other information included. Registered workers were provided with an *Annual Statement of Recorded Service* with explanatory materials and information about the scheme and recent developments. Community language material was included in mail to all registered workers and employers.

The presence of the Corporation in the industry was assisted through a Combined Industry Group site safety poster, which was distributed to all large construction sites. Visits by field staff to employers and workers have been significantly increased in rural and regional areas, notwithstanding an overall reduction in field visits due to field officer position vacancies.

The Corporation has continued to promote the telephone 'Helpline' in all communications with scheme members and employers.

A market research survey involving both workers and employers was completed in September 2001 to gain information about employer and worker perceptions and awareness relating to the scheme and the Corporation.

The market research findings were satisfactory. Opportunities for improvement were identified, such as the Corporate branding/image, information material requiring rewriting in plain English, refinement of the Annual Statement package, improved promotional items and increased face to face contact with employers and workers. A Marketing Coordinator has been recruited to develop a marketing plan based on these recommendations. An Education/Training Officer has also been recruited to provide training on the scheme to both industry participants and Corporation staff.

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

Customer Complaints

During the year there were seven representations to the Minister (compared with nine in 2000-01), relating to cancelled registrations, backdating of registrations, recording of service and exemptions from the long service levy. The provisions of the scheme legislation and policies were explained to the complainants.

Four complaints were received by way of the Corporation's formal complaint mechanism. These related to issues of customer service, information provided/available and receipt of reminder letters to lodge certificates of service for their employees. Appropriate action was taken under the complaint handling procedures to address each issue.

Appendix 4

LEGISLATIVE CHANGE

Amendments to the Building and Construction Industry Long Service Payments Act were introduced in the State Legislation (Miscellaneous Provisions) Bill No. 2, 2001 on 16 November 2001 and was assented to by Parliament on 14 December 2001. The impacts mainly relate to changes in who is liable to pay the levy in the circumstances of approvals defined in the Environment Planning and Assessment Act 1979.

Appendix 5

FREEDOM OF INFORMATION ACT 1989

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

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

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

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

The Summary of Affairs of all Agencies are published in the Government Gazette and in respect of the Corporation were published in the Government Gazette No 198 of 28 December 2001 and No 33 of 23 August 2002.

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

The FOI Coordinator
Locked Bag 3000
Central Coast Delivery Service
LISAROW NSW 2252

or lodged on

Ground Floor
Corner Donnison and Baker Streets
GOSFORD NSW 2250

Freedom of Information (FOI) Requests

	Agency 968				Agency 1682			
	2001-02		2000-01		2001-02		2000-01	
	Personal	Other	Personal	Other	Personal	Other	Personal	Other
Total FOI requests to be processed	0	0	0	0	0	0	0	0

There were no FOI requests in 2001-02 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 2000-01 or 2001-02.

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 and all staff were trained in the requirements of the Act.

In June 2001 a further series of training courses were conducted for all staff and managers. The Education and Training Officer has incorporated a section on privacy issues into induction training for new staff. The Corporation is monitoring the Plan and will conduct regular reviews.

The Privacy and Personal Information Protection Act does not apply in respect of information requests 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. One informal complaint was received and the complainant was provided with guidance on how to pursue a formal complaint, but did not take further action. Action was taken to immediately remind staff about their obligations under the Privacy and Personal Information Protection Act and a series of follow up workshops on the Corporation's privacy guidelines were conducted.

Appendix 7

DISABILITY PLAN

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

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

Access

The Corporation's new head office location is on the ground floor, Corner Donnison and Baker Streets, Gosford NSW 2250. Considerable planning has gone into the fit-out to ensure wheelchair access, toilet facilities and lift facilities that comply with requirements. Furniture arrangements implemented in the Corporation's foyer area conform to the experience gained over the years and include a stand-up counter to enable members with back problems to fill in forms while standing and have seating for customers waiting.

The physical nature of the work involved in the Corporation's client industry limits opportunities for industry based programs for people with disabilities. However, the scheme allows access to accrued benefits and in some circumstances, continuation of the recording of service credits due to disability. In 2001-02, 747 grants of service on medical grounds were made totalling 192,895 days and 477 long service payments totalling \$1,021,690 were paid to members who became totally incapacitated for work in the industry and were forced to leave the industry.

Employment

The Corporation employs 8 staff identified as having physical disabilities, which is about 14% percent 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. Legislative amendments include provisions to help preserve women's registrations in the scheme if they are pregnant.

Staff

The Corporation receives services from the NSW Department of Industrial Relations (DIR) in respect of women's matters. A number of women's activities are organised in conjunction with the Corporation. The DIR Spokeswomen's Program includes information sessions for women employees to assist them combining work and family commitments and provides financial and career planning information. The Corporation's elected Spokeswoman attended Spokeswomen's meetings and acted on behalf women employed in the Corporation.

The Corporation has continued flexible working arrangements that provide a wider bandwidth, no core time and provide for up to three flex-days in a six-week period, which assist staff to meet work as well as family commitments.

Appendix 9

COMMUNITY RELATIONS

Progress against the various Key Result Areas is shown below:

Key Result Area	Achievements to date
<p>Social Justice Providing an efficient and equitable scheme of portable long service benefits for the construction industry</p> <p>All relevant contracts require contracting party to meet EEO practices in relation to that contract.</p>	<ul style="list-style-type: none"> • A telephone translation service and staff speaking some community languages are available. The service is promoted to the industry and workers through various information materials. • Information about the scheme has been translated into fourteen community languages and has been made available on the Corporation Website. • An information sheet, in eleven community languages, on the availability of the translation service and how to respond to the <i>Annual Statement of Recorded Service</i> was forwarded to 218,044 workers together with their annual statements in October/November 2001. • Basic scheme information brochures in fourteen community languages are available to assist workers to register. • Legislative requirements introduced in 1998 to ensure employers register their workers with the Corporation (thus ensuring workers with low English proficiency have access to the scheme) appear to have been successful. • Initiatives include dissemination of a site poster with short messages in target community languages and issuing detailed worker information on the scheme in fourteen community languages, which have been identified as most representative of the building industry. • Information in fourteen community languages is now included on the reverse of all letterhead. • Corporation contracts include provisions that EEO requirements will be complied with.
<p>Community Harmony Continuous improvement in service design/delivery management and work practices.</p> <p>Implementation of EEO Management Plan and equity and access plans</p>	<ul style="list-style-type: none"> • Managers are trained in grievance and complaint handling. • The Community Language Allowance Scheme is in place and staff are encouraged to obtain accreditation for community languages most used in the building industry. • Training and access to career development opportunities were available to all staff. Target groups participated in training and career development opportunities.

Priorities for 2002-03:

A Marketing Coordinator was appointed in June 2002 and will review recommendations arising out of market research in relation to community relations initiatives.

Appendix 10

PROGRAM EVALUATION

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

Eight areas were subject to audit. Effective management controls were found to be in place in all areas. However a number of recommendations for improvements were noted and accepted by the Corporation. There have been no adverse findings from the audit program.

Appendix 11

INSURANCES AND RISK MANAGEMENT

a) Insurances

The Corporation had the following insurance policies in place for 2001-02 period:

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

Current cover: \$3,200,000.
- Public Liability
All sums which the Corporation becomes liable to pay compensation in respect of:

(a) Bodily injury
(b) Damage to property

Current cover: \$10,000,000.
- Motor Vehicles
Loss or damage to vehicles.

Current cover: Market value of vehicle
 Liability to others \$20,000,000.
- Fidelity Guarantee
Any loss of money securities and/or other property the Corporation might sustain through acts of fraud or dishonesty committed by an employee.

Current cover: \$1,000,000 per person
 \$1,000,000 aggregate for any one claim. Claim preparation costs \$10,000.
- Electronic Equipment:
Physical loss, destruction of or damage to computer equipment and software.

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

- Corporate Travel

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

Current cover \$1,000,000

b) Workers Compensation

The Corporation maintains Workers' Compensation Insurance at the required levels and has an active Occupational Health and Safety Committee (refer Appendix 15). There were two Worker's Compensation claims during the year, neither of which involved injury in the workplace. Both were journey related.

c) Risk Management

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

d) Business Continuity Plan

A contingency and disaster recovery plan is maintained. Recovery of computer systems from backup tapes has been successfully performed on all aspects of the Corporation's computer systems in recent times. A new business continuity plan is to be developed as part of the integration of the Corporation's information technology with WorkCover in 2002-03.

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

Appendix 12

WASTE REDUCTION AND PURCHASING PLAN

The Corporation primarily uses paper-based material including mail-outs to maintain contact with scheme members and employers. The Corporation has actively supported recycling for over ten years and, for stationery and copy paper requirements, uses virtually totally Australian-made paper, which is manufactured from 100% recycled waste paper or fibre. All envelopes used are 70 percent recycled paper. In addition, all waste paper products are disposed of either in the secure or general collection bins provided for regular collection and recycling. The Corporation recycles all printer toner cartridges.

The Corporation has introduced the option of employer electronic lodging of service records for workers, which will reduce the number of forms printed by the Corporation. In accordance with its waste reduction plan, the Corporation also purchased two printers that have the capacity to print on both sides for use in areas where draft copies of reports are frequently required. It has also adopted the policy of extracting all re-useable literature from 'return to sender' mail for recycling and is carefully monitoring ordering levels of its forms and other stationery items to avoid wastage.

Appendix 13

GOVERNMENT ENERGY MANAGEMENT POLICY

Energy reduction strategies are in place and include:

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

The Corporation has used medium size vehicles, which due to their fuel economy are not considered economic for conversion to alternative fuels. In June and July 2001, the Corporation replaced five medium cars with small cars to reduce petrol consumption.

The Corporation installed dedicated electricity meters for its tenancy to better monitor and control its use of electricity and will continue to incorporate best energy usage practice, consistent with its business, in its energy usage plan and energy consumption monitoring. The Corporation purchases 'green' electricity through its participation in the NSW Government contract with Energy Australia. The new premises at Gosford have been designed to be state of the art energy efficient.

Appendix 14

INFORMATION TECHNOLOGY

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

As a consequence of the Corporation relocating to the new WorkCover building at Gosford in late 2002, the decision has been taken to also integrate its computer network with WorkCover. The major focus has been to streamlining existing software and business applications to facilitate integration of the technology.

Considerable work was also undertaken to develop 'front end' software and procedures for the general implementation of electronic lodgement of service documents by employers. After a trial by large employers the option has been made generally available to all employers and advertised in the employer newsletter and on the Corporation's web-site.

Other significant actions undertaken during the year included:

- developing a new Corporation Website to allow for download of forms and brochures and on-line lodgement of orders for scheme forms and notifications to the Corporation of long service payment to workers by employers;
- upgrading and replacement of desktop PCs to maintain operational efficiency;
- extending the functionality of the corporate intranet by the addition of information for customer service officers in addition to general information and policies documents, such as correspondence tracking and copies of annual statements of recorded service issued to registered workers.

Appendix 15

OCCUPATIONAL HEALTH AND SAFETY

The Corporation's Occupational Health and Safety Committee consists of two management members and four staff representatives. The Committee met on 2 occasions during 2001-02. Regular workplace inspections have been conducted and no major safety issues were identified.

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

In conjunction with the Department of Industrial Relations, the Corporation formalised a contract with a private company, Corpsych, to provide confidential counselling and assistance to employees and their families when required. This service has been widely promoted within the Corporation following the announcement of the Corporation's relocation to Gosford, to assist staff and particularly families with coping with the changes that will result.

Appendix 16

EQUAL EMPLOYMENT OPPORTUNITY

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

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

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

No grievances were lodged during the year.

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

	As at 30.6.2000			As at 30.6.2001			As at 30.6.2002		
	Total	ATSI	PWPD	Total	ATSI	PWPD	Total	ATSI	PWPD
Total employees	58	0	7	51	0	8	57	1	7
Recruitment	9	0	0	9	0	1	14	-	1

ATSI = Aboriginal and Torres Strait Islander Employees.

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

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

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

Level	As at 30.6.00			As at 30.6.01			As at 30.6.02		
	Total	Women	NESB	Total	Women	NESB	Total	Women	NESB
Gde 1-2	8	5	4	8	5	4	7	5	2
%		62.5%	50%		62.5%	50%		71.4%	28.6%
Gde 3-5	29	15	3	27	15	2	36	19	2
%		57.7 %	10.3 %		55.6%	7.4%		52.3%	5.6%
Gde 6-9	13	5	4	14	4	4	7	2	0
%		38.5%	30.8%		28.6%	28.6%		28.6 %	0%
Gde 10-12	7	4	3	7	4	3	6	3	2
%		57.1%	42.9%		57.1%	42.9%		50%	33.3%
Above Gde 12	1	0	0	1	0	0	1	0	0
Total	58	29	14	57	27	11	57	29	6
%		50%	24.1%		47.4%	19.3%		50.9%	10.5%

Notes:

NESB = Non English Speaking Background.

The Table only shows grades actually employed within the Corporation.

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

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

Appendix 17

HUMAN RESOURCES INFORMATION

In October 2001, it was announced that the Corporation would be relocating to Gosford, when the new building to be occupied by WorkCover is completed in 2002. As a result, the Corporation has experienced a high turnover of employees who were not in a position to commute or relocate. The disruption to personnel, loss of corporate memory and skills has forced the Corporation to concentrate on maintaining core business activities. The focus has been to recruit staff, (many of whom have come from the Central Coast area) with a view to providing training in the organisation's operations prior to the move.

A further development has been a decision to integrate the Corporation's information technology with that of WorkCover, which has resulted in existing vacancies not being filled and further staff loss. As a result, the Corporation has had to engage temporary assistance from specialist agencies.

The Corporation is opening a small branch office at Lidcombe with an establishment of

Customer Services Manager Clerk Grade 7-8 (new position)
 Senior Customer Services Officer Clerk Grade 5-6 (replaced an existing position)
 Customer Services Officer Grade 3-4 (3 positions)
 Assistant Customer Services Officer Grade 1-2

These positions have been recruited from existing staff, who were not in a position or did not wish to work at Gosford.

Another position of Senior Customer Services Officer Clerk Grade 5-6 was created following the introduction of electronic lodgement of service documents, to provide additional support and guidance for staff in the area, which also replaced an existing position.

	EFT* 1998-99	EFT* 1999-00	EFT* 2000-01	EFT* 2001-02
Number of staff employed	56.8	58.6	58.6	57.4

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

Work practices/industrial relations

The major issues for the Corporation have been the relocation of the organisation to Gosford and the pending opening of an office at Lidcombe with the associated staffing issues. Management is also represented at the Department of Industrial Relations Peak Consultative Committee meetings, which provides the major forum for union consultation. No other significant issues arose in relation to the Corporation. A sub-committee of the Peak Consultative Committee was formed to address issues arising out of the relocation and new branch office and meets regularly.

Training and development

In 2001-02 the thrust of training was focused on assisting existing staff, who were not in a position to commute or relocate to Gosford, in the pursuit of alternative employment within the

public sector. The other major focus of training was on induction of new staff, privacy provisions and training in the long service payments scheme operations.

Special information sessions were organised at the Workforce Management Centre to brief staff on how the service could assist them in obtaining alternative employment in the Public Sector, if they were unable or did not wish to work on the Central Coast.

Two consultants were engaged to provide specialist services to support staff affected by the move to Gosford. All staff were encouraged to attend seminars addressing coping with change. Four series of job seeking programs were run, with individual practice sessions and performance feedback to enhance skills. Other training emphasis included computer related courses and courses related to safety procedures

A total of over 152 person days of formal training were provided (including time for personal studies) an average of 2.7 days per officer, apart from the considerable 'on the job' training of new staff.

APPOINTMENTS

		1998-99	1999-00	2000-01	2001-02
Non Promotional (Base Grade)	Permanent	-	-	-	-
	Temporary	-	-	-	-
Promotional Positions	Permanent	12	9	4	23
	Temporary	-	-	-	1
Total		12	9	4	24

BREAKDOWN OF PROMOTIONAL RECRUITMENT

	1998-99	1999-00	2000-01	2001-02
Applicants outside the Public Sector	3	-	-	8
Applicants within the Corporation	1	-	1	5
Applicants from other Public Sector Organisations	8	5	3	11
Total	12	5	4	24

SEPARATIONS

	1998-99	1999-00	2000-01	2001-02
Resignations Permanent Officers	2	-	-	1
Separations Temporary Officers	-	-	-	1
Transfers on Grade within Public Sector	-	2*	1	14
Promotions to other Public Sector Organisations	2	4*	4	2*
Voluntary Redundancy	-	-	-	-
Retirement	2	-	1	-
Total	6	6*	6	18

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

CHIEF AND SENIOR EXECUTIVE OFFICERS

	1998-99	1999-00	2000-01	2001-02
SES Officers	1	1	1	1
Number of Female SES officers	-	-	-	-
Number of SES officers at Level 5 and above	-	-	-	-

COMPARISON OF STAFF LEVELS

	EFT* 1998-99	EFT* 1999-00	EFT* 2000-01	EFT* 2001-02
Senior Executive Service	1	1	1	1
Clerk Grade 9-12	7	6.5	7	6.75
Clerk Grade 5-8	15	14.25	14	16.75
Clerk Grade 1-4	27	33.1	35.2	29.15
Clerical Officer Grade 1-2	-	-	-	-
Temporary contracting staff	608	3.75	1.4	3.75
Total	56.8	58.6	58.6	57.4

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

Appendix 18**CONSULTANTS**

The Corporation engaged two consultants in 2001-02, who undertook actuarial work at a total cost of \$26,000.

Appendix 19**CODE OF CONDUCT**

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

Appendix 20**ANNUAL REPORT COSTS**

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

Appendix 21**OTHER DISCLOSURES**

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

Appendix 22

PUBLICATIONS

Publications available from the Corporation include:

- Annual Report.
- Employer information brochure including registration form.
- Worker information brochure including registration form.
- Information for workers (including self employed) in Arabic, Chinese, Croatian, French, Greek, Indonesian, Italian, Khmer, Korean, Macedonian, Persian, Serbian, Spanish and Vietnamese.
- Building and construction industry rostered day off calendar.
- Information for worker members booklet.
- Building and construction industry wall planner calendar.
- Employer newsletter 2001.
- 'Information '2001' – information newsletter for workers.
- Information Sheet W001 - 'When You Can Claim a Benefit'
- Information Sheet W002 - 'National Agreement on Long Service'
- Information Sheet W003 - 'Recording Service Before Registration Date'
- Information Sheet W004 - 'Long Service Leave v Long Service Payment'
- Information Sheet W005 - 'How Your Service is Recorded'
- Information Sheet W006 - 'Tax Payable on Long Service Payments'
- Information Sheet W007 - 'If Your Employer Stops Trading'
- Information Sheet W008 - 'Unable to Work Due to Illness or Injury'
- Information Sheet W009 - 'Appeals to the Industry Committee'
- Information Sheet W010 - 'Special Service Credits'
- Information Sheet W011 - 'Service Preservation Days'
- Information Sheet W012 - 'Things you need to know before making a claim'
- Information Sheet E901 - 'What an Employer Must Do'
- Information Sheet E902 - 'Employer or Worker Member?'
- Information Sheet E903 - 'Employer - What to do If...'
- Information Sheet E904 - 'Do You Employ Workers who work in more than one State?'
- Levy collection agent manual (for councils only).
- Counter Stand – partial exemption information (for councils only).
- Levy poster (for councils only).
- Scheme poster promoting community language information. ☒
- Scheme site visit Poster.
- Information for levy payers brochure.

Forms available from the Corporation

- Levy Payment form.
- Application for partial levy exemption by non profit, voluntary, sporting or church organisations form.
- Application for partial exemption of levy by owner builder form.
- Application to pay levy by instalments form.
- Application for levy refund - where work is not to proceed.
- Application for levy refund – except where work is not to proceed.
- Employee Certificate of Service form.
- Self-Employed Certificate of Service form.
- Claims forms for all Section 28 situations for claiming a long service payment.
- Employer Application for Worker Registration Form.
- Applications for special service credits.
- Record Update and Inquiry form.
- Request for voluntary cancellation.
- Appeal form.

☒ New publication or forms introduced in 2001-02

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

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