

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

Dear Minister

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

The report for the year ended 30 June 2003 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 Commerce

24 October 2003

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ANNUAL REPORT 2002- 2003

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DIRECTOR'S REPORT

The 2002-03 financial year was a watershed in the history of the Corporation and was a year of successes even though there were many demands and challenges.

The Corporation relocated its head office operations from Sydney to Gosford, as a part of the New South Wales Government's regional development initiatives, and also opened a Sydney based office at Lidcombe. A substantial staff redeployment and recruitment program was successfully undertaken as a consequence.

The Corporation and WorkCover NSW, as significant government agencies in the same building at Gosford, have integrated information and communication technology systems and developed a shared partnership agreement for infrastructure support services. A further partnership agreement for human resource services was developed and took effect from July 2003.

In addition to these major initiatives, the Corporation maintained its core services and performance standards to scheme members and the industry. Good relationships were also maintained with industry organisations, other parties such as local government councils that collect levies and interstate long service schemes.

The Corporation has reviewed and updated its compliance focus and has developed and is implementing a new corporate image including the redeveloping of all information material on the scheme. The new contemporary image is a response to findings of earlier major independent market research.

The Corporation also initiated a review of the scheme to ensure it maintains its relevance and effectiveness. There were a considerable number of other achievements that further improved scheme operations during the year that are indicated in this Annual Report.

A significant challenge for the year was financial and funding management as a result of poor returns and volatility in investment earnings. A second financial year of negative investment returns has occurred resulting in minor negative total equity as at 30 June 2003. However, a period of positive investment earnings from March 2003 and strong returns in September quarter 2003 has re-established positive total equity. The Corporation initiated a further actuarial investigation of the scheme during the year and is closely monitoring ongoing investment performance and any need to consider a review of the levy rate.

It was pleasing to note that a positive outcome of the Cole Royal Commission was the endorsement of the worth of the long service schemes in the building and construction industry. As well, there was Commonwealth Government acceptance of long service schemes as complying in relation to exemptions from new Fringe Benefits Tax provisions on worker benefit schemes.

The Industry Committee continues to provide strong support to the Corporation. However, the passing of Barry Harridge, who was a longstanding and valued member of the Committee, is a significant loss and his contributions will be missed.

The efforts of staff and management of the Corporation and our many and various partners, including local government councils and WorkCover NSW staff and management, are acknowledged.

The 2003-04 year is a new year of challenges for change and improvements that I am sure will be met.

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

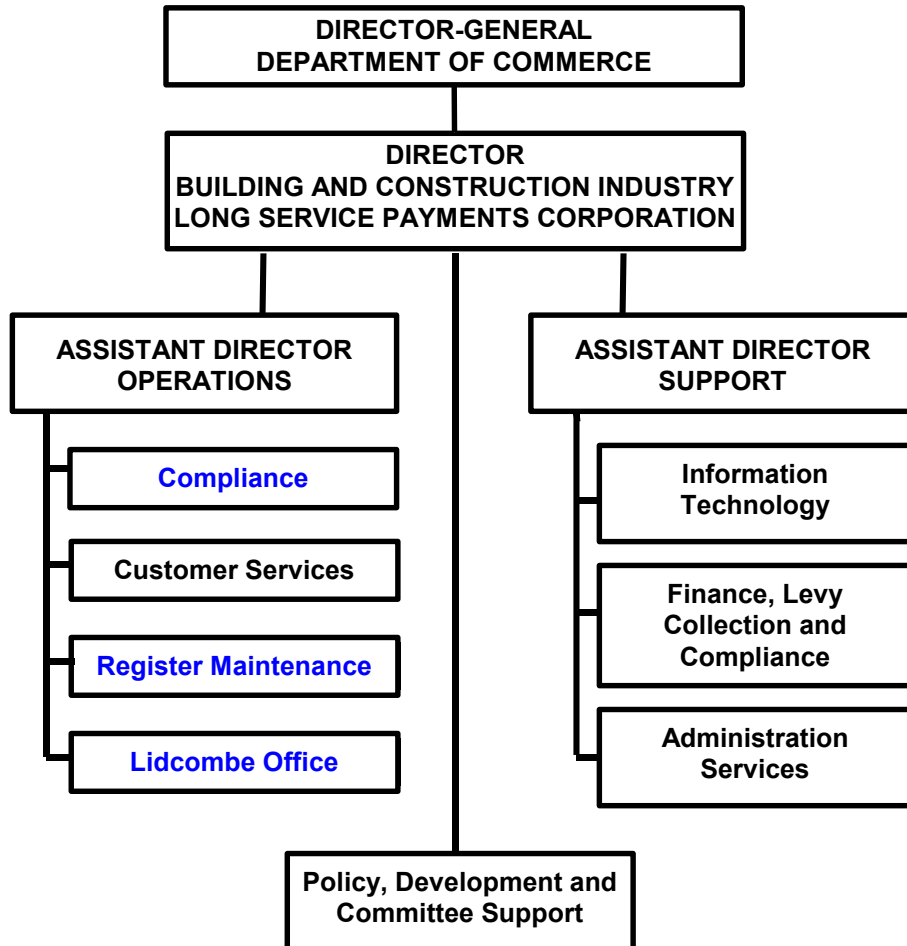
Head Office:	Ground Floor, Corner Donnison and Baker Streets GOSFORD NSW 2250
Branch Office:	Level 1, 10-12 Railway Street LIDCOMBE NSW 2141
Mail:	Locked Bag 3000 Central Coast MC NSW 2252
Telephone:	13 14 41 (local call rates) For calls from mobile phones the usual plan rates apply
Fax:	(02) 9287 5685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

ROLE OF THE CORPORATION

The Building and Construction Industry Long Service Payments Act 1974 commenced on 1 February 1975 and established a portable long service payments scheme for building and construction workers in New South Wales. Prior to 31 July 1982 the scheme was a division within the former Builders Licensing Board (now part of the Office of Fair Trading). On 1 August 1982 the Building and Construction Industry Long Service Payments Amendment Act 1982 established the Corporation with all the assets and liabilities of the scheme. The statutory manager of the Corporation is the Director-General of the Department of Commerce, 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 236,000 registered workers and more than 29,000 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 Commerce

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

OFFICE RELOCATIONS AND STAFFING

- Relocated operations to two new locations, a Sydney based small office at Lidcombe and the head office to Gosford. The new arrangements are operating effectively and efficiently and achieving government regionalisation initiatives.
- Undertook major programs for staff redeployment, new staff recruitment and staff training. The new staffing arrangements are operating efficiently.

MARKETING AND COMPLIANCE

- Initiated the development of a new corporate identity and image including redevelopment of information material. The recommendation of independent market research of the industry on the need for a new image is being implemented.
- Reviewed and refocused compliance and marketing activities. New activities are more effectively targeting new employers and new workers.

INFORMATION AND COMMUNICATION TECHNOLOGY

- Implemented new service-sharing arrangements with WorkCover for information technology and telephone systems. State of the art systems are available to the Corporation.
- Initiated the redevelopment of the corporate intranet. The redevelopment is a continuing project and is providing staff and management with more effective support capabilities.
- Undertook enhancements to the core computerised business applications of worker records and levy collections. Applications continue to be developed to meet emerging needs.

INTERNAL AUDIT

- Undertook an extensive internal audit program. Assurance is being provided that controls and procedures are adequate and effective.
- Established an Audit Committee. Best practice in corporate governance is being implemented.

OTHER ACHIEVEMENTS

SERVICE STANDARDS

- Maintained published service standards for worker and employer services and improved telephone helpline performance. Service commitments to scheme members and the industry continue to be met.

REGIONAL AND RURAL SERVICES

- Maintained an increased level of audit and advisory services across regional and rural areas and extended the telephone helpline to a national service. Services are being provided to workers and employers across the whole State.

COMMUNITY RELATIONS

- Developed a new model framework for targeting workers from non-English speaking backgrounds using Korean workers as a pilot. More effective arrangements have been developed for informing workers of their rights when they have different community language backgrounds.

ELECTRONIC SERVICES

- Extended the availability of electronic services and promoted their use. Electronic services are increasingly available and being used by customers.

SHARED SERVICES

- Developed shared service arrangements with WorkCover for human resources services from July 2003. Government shared corporate services initiatives are being implemented.

RISK MANAGEMENT

- Reviewed risk management arrangements and negotiated comprehensive insurance through Treasury Managed Fund. Effective risk management and insurance arrangements have been implemented.

RECORDS MANAGEMENT

- Achieved a satisfactory outcome from the Audit Office compliance audit of records management and initiated the evaluation of new computerised records management systems. Improvements to records management to achieve best practice are being planned.

CORPORATE PRIORITIES FOR 2003-04

- Implement improvements to scheme services and operations.
- Implement fully the new shared partnership agreements for information and communication technology and human resources services.
- Improve funding and financial management.
- Develop and implement improvements and enhancements to the core computerised systems of worker records and levy collections.

COMPARISON OF MAJOR OPERATIONAL PERFORMANCE STATISTICS

Activity and /or administrative function	1999-00	2000-01	2001-02	2002-03
Long service payments made to workers	6,676	8,355	7,724	7,487
Value of long service payments made	\$26.8M	\$34.7M	\$32.4M	\$31.3M
Cumulative number of payments since scheme began	74,090	82,250	89,974	97,461
Cumulative value of payments made since scheme began	\$214.4M	\$249.1 M	\$281.5M	\$312.8M
Number of payments in conjunction with interstate schemes	335	353	363	320
New worker registrations approved	28,975	22,588	19,715	23,053
Number of workers excluding those identified for cancellation	191,776	218,719	238,434	235,760
Workers identified for cancellation – see note below	66,569	65,046	65,653	86,484
New employer registrations approved	3,441	2,975	2,825	2,965
Total number of registered employers	30,031	31,319	32,365	29,540
<i>Employee Certificates of Service</i> received	139,282	139,337	128,934	128,165
<i>Self Employed Worker Certificates of Service</i> received	42,368	35,071	32,116	34,252
<i>Annual Statements of Recorded Service (SRS)</i> issued	194,783	206,992	218,044	225,339
Requests to review service recorded in SRS	2,366	2,466	1,970	1,969
Employer advisory and audit visits made	1,957	1,490	1,097	1,958
TAFE talks to second year apprentices	424	104	235	261
Telephone 'Helpline' inquiries	96,511	88,444	80,371	90,999
Written inquiries	9,754	9,648	7,928	7,909
Counter inquiries	3,019	2,932	2,116	2,178
Levy exemptions approved	1,610	1,209	1,473	1,135
Levy refunds approved	1,838	1,696	1,627	1,597
Levy payment by instalments approved	18	9	10	16
Total funds invested	\$376.4M	\$389.1M	\$369.8M	\$356.0M
Actuarial estimate of scheme liabilities	\$297.0M	\$302.0M	\$358.4M	\$363.2M
Investment income	\$40.4M	\$32.7M	(\$8.8M)	(\$6.5M)
Long service levy income	\$28.2M	\$19.7M	\$29.6M	\$33.7M
Net administration costs	\$7.9M	\$7.8M	\$8.1M	\$9.9M

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 2002-03 financial year, taking into account the \$6.5M loss on investments, net revenue from all sources amounted to \$27.0M and expenditure amounted to \$45.8M, leaving an operating deficit of \$18.8M. The variance of \$7.0M between the actual operating deficit of \$18.8M and the budgeted operating deficit of \$11.8M was mainly due to the net outcomes of the following:

- Investments continue to be predominantly placed in the NSW Treasury Corporation Long Term Growth Facility. Investments incurred a loss of \$6.5M compared to a budget profit of \$32.4M.
- The majority of the investment losses were offset by savings in long service payments and liability expenses. Long Service Payments were less than budget estimates by \$20.9M and the Liability Expense was less than the anticipated budget increase by \$9.9M.
- The total of scheme administration costs was \$1.0M less than budget due to a higher staff turnover than anticipated because of the relocation to Gosford.

FINANCIAL POSITION

- The principal assets continue to be long-term investments of \$353.9M and the principal liabilities are the estimates for the Provision of Scheme Liabilities that total \$363.2M as assessed by actuarial consultants.
- A deficit of \$18.8M occurred for the year resulting in an accumulated loss of \$5.0M as at 30 June 2003. The negative investment earnings were predominately responsible for the decrease in total equity.

CAPITAL EXPENSES

The Corporation's capital budget of \$2.05M was for the relocation of the Corporation to Gosford and Lidcombe, other minor office equipment, computer equipment and motor vehicle purchases. The Corporation incurred expenditure on the following capital items during the financial year.

	Budget \$'000	Actual \$'000
Relocation to Gosford	\$1,300	\$1,138
Establishment of Lidcombe Office	\$350	\$205
Annual Provisions	\$400	\$126
Total capital expenses	\$2,050	\$1,469

ACTUARIAL REVIEW

Due to the deterioration of the financial position over the last two financial years the Corporation undertook a full actuarial investigation as at 30 June 2002. The Corporation is continuing to monitor the financial position closely and may undertake a further full actuarial review during the 2003-04 financial year to assess the sufficiency of the fund and the adequacy of the levy rate taking into consideration any recovery of the investment markets.

CLAUSE 18 REQUIREMENT - PAYMENT PERFORMANCE

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

Accounts Payable at end of Relevant Quarter

	End of September 2002	End of December 2002	End of March 2003	End of June 2003
Payment				
Current	\$46,440	\$121,444	\$45,574	\$91,408
Less than 30 days overdue	\$900	\$0	\$0	\$0
More than 30 days overdue	\$0	\$900	\$0	\$0
Total Accounts Payable	\$47,340	\$122,344	\$45,574	\$91,408

Accounts Paid on Time in Relevant Quarter

	September 2002 Qtr	December 2002 Qtr	March 2003 Qtr	June 2003 Qtr
Target % paid on time	95%	95%	95%	95%
Actual % paid on time	94%	91%	94%	96%
Total dollar amounts paid on time	\$993,346	\$2,147,053	\$1,128,417	\$1,409,336
Total dollar amounts paid	\$1,010,808	\$2,279,202	\$1,171,464	\$1,452,159
Total accounts paid on time	299	361	322	367
Total accounts paid	317	396	343	382

The Corporation takes measures to ensure that the processing of payments is undertaken promptly. The performance during the December quarter was below target as the relocation of the Corporation to Gosford affected the processes for the prompt payment of accounts. Frequency of cheque runs due to the small number of cheques involved generally causes minor late payment of accounts. An internal review will be undertaken to identify improvements.

No interest payments were incurred through late payments during the financial year.

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
	30.6.02	30.6.03	Income (Loss)	Return	Return
	\$'000	\$'000	\$'000	%	%
Long Term Growth	366,487	353,941	(6,546)	(1.75)	(1.75)
Cash	3,323	2,104	82	4.85	4.85
Total	369,810	356,045	(6,464)	n/a	n/a

BUDGET FORECAST AND RESULTS

	BUDGET 2002/2003 \$'000	ACTUAL 2002/2003 \$'000	BUDGET 2003/2004 \$'000
REVENUES			
Investment Income	32,400	82	27,700
Levy Income	33,400	33,656	30,000
Other Income	129	51	139
TOTAL REVENUES	65,929	33,789	57,839
OPERATING EXPENSES			
Long Service Payments	52,200	31,349	36,600
Long Service Payments Liability Expense	14,700	4,800	33,100
Loss on Investments	-	6,546	-
TOTAL OPERATING EXPENSES	66,900	42,695	69,700
OPERATING (DEFICIT)	(971)	(8,906)	(11,861)
ADMINISTRATIVE EXPENSES			
Human Resources			
Employee Salaries	3,385	2,727	3,554
Employee Superannuation Charge	575	1,059	604
Employee Salary Related Expenses	1,304	1,562	1,369
	5,264	5,348	5,527
Operations			
Depreciation of Fixed Assets	731	359	492
External Audit Fees	50	58	51
General Expenses	2,333	2,261	2,307
	3,114	2,678	2,850
Occupancy			
Rental	408	444	471
Associated Occupancy Expenses	808	572	413
	1,216	1,016	884
Computing			
Computer Operations/Maintenance	801	579	808
External Computing Services	150	130	154
	951	709	962
Marketing			
Marketing Program Expenses	250	97	174
Travel			
Travel Expenses	77	63	79
TOTAL ADMINISTRATIVE EXPENSES	10,872	9,911	10,476
(DEFICIT)	(11,843)	(18,817)	(22,338)

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

Qualified Audit Opinion

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

- (a) presents fairly the Corporation's financial position as at 30 June 2003 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the *Public Finance and Audit Act 1983* (the Act).

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

Qualification

As in previous years, the Corporation, as disclosed in Note 1(d), has recognised the net movement on revaluation of the non-current investments in the Statement of Financial Performance. 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 the Non-Current Assets". The latter Standard requires the net decrement on revaluation, amounting to \$31.6 million for the year (\$34.3 million net decrement in 2001-02), to be adjusted to an asset revaluation reserve. Had this been done, the result for the year would change from the operating deficit of \$18.8 million (\$76.0 million deficit in 2001-02) to an operating surplus of \$12.8 million (\$41.7 million deficit in 2001-02). Net assets would amount to the same under either Standard.

My opinion on the financial report for the year ended 30 June 2002 was similarly qualified.

The Director-General's Role

The financial report is the responsibility of the Director-General of the Department of Commerce. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

The Auditor's Role and the Audit Scope

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

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

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

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

My opinion does *not* provide assurance:

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

Audit Independence

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

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



R J Sendt
Auditor-General

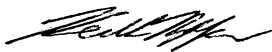
SYDNEY
20 October 2003

**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 2003 and transactions for the year then ended;
2. The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and Regulation, Australian Accounting Standards, Consensus Views of the Urgent Issues Group, other mandatory professional reporting requirements and the Treasurer's Directions with the exception of the treatment of the long term investment returns (Non Current Asset) as disclosed in Note 1 of the accounts; and
3. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Keith Napper
Director
Building and Construction Industry
Long Service Payments Corporation
17 October 2003



Kate McKenzie
Director-General
Department of Commerce

17 October 2003

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2003**

	Note	2003 \$'000	2002 \$'000
CURRENT ASSETS			
Cash	2	1,149	608
Receivables	3(a)	2,871	2,987
Other Financial Assets	4(a)	2,104	3,323
TOTAL CURRENT ASSETS		6,124	6,918
NON-CURRENT ASSETS			
Receivables	3(b)	19	581
Other Financial Assets	4(b)	353,941	366,487
Property, Plant and Equipment	5	1,388	518
TOTAL NON-CURRENT ASSETS		355,348	367,586
TOTAL ASSETS		361,472	374,504
CURRENT LIABILITIES			
Payables	6	1,280	594
Provision for Employee Benefits	7(a)	393	348
Provision for Scheme Liabilities	8(a)	35,000	34,500
TOTAL CURRENT LIABILITIES		36,673	35,442
NON-CURRENT LIABILITIES			
Provision for Employee Benefits	7(b)	1,626	1,372
Provision for Scheme Liabilities	8(b)	328,200	323,900
TOTAL NON-CURRENT LIABILITIES		329,826	325,272
TOTAL LIABILITIES		366,499	360,714
NET (LIABILITIES)/ASSETS		(5,027)	13,790
EQUITY			
(Accumulated Losses)/Retained Surplus		(5,027)	13,790
TOTAL EQUITY	9	(5,027)	13,790

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 2003**

	Note	2003 \$'000	2002 \$'000
REVENUES FROM ORDINARY ACTIVITIES			
Investment Income	10	82	83
Long Service Levy	11	33,656	29,630
Other Revenue	12	51	63
TOTAL REVENUE FROM ORDINARY ACTIVITIES		33,789	29,776
EXPENDITURE FROM ORDINARY ACTIVITIES			
Long Service Payments	13	31,349	32,406
Long Service Payments Liability Expense	8(c)	4,800	56,400
Loss on Investments	10	6,546	8,916
Employee Related Expenses	14	5,348	4,560
Operating Expenses	15	4,204	3,135
Depreciation	5	359	407
TOTAL EXPENDITURE FROM ORDINARY ACTIVITIES		52,606	105,824
DEFICIT FOR THE YEAR		(18,817)	(76,048)
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		0	0
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		(18,817)	(76,048)

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 2003**

	Note	2003 \$'000	2002 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Long Service Levy Receipts		33,696	29,492
Interest Receipts		129	128
Other Receipts		537	448
Long Service Scheme Payments		(31,217)	(32,361)
Payments to Suppliers and Employees		(8,377)	(7,657)
Net Cash Used In Operating Activities	16	(5,232)	(9,950)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Investments		6,000	12,000
Proceeds from Disposal of Plant and Equipment		23	55
Purchase of Plant and Equipment		(1,469)	(134)
Net Cash Provided by Investing Activities		4,554	11,921
NET (DECREASE)/INCREASE IN CASH HELD		(678)	1,972
Opening Cash and Cash Equivalents		3,931	1,959
CLOSING CASH AND CASH EQUIVALENTS	17	3,253	3,931

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 2003**

1 STATEMENT OF ACCOUNTING POLICIES

(a) The Reporting Entity

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

(b) Basis of Accounting

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

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

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

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

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

(c) Going Concern

The going concern basis has been applied in the preparation of this financial report even though the Corporation has a negative equity position at 30 June 2003 due to poor investment returns over the preceding two financial years.

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

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

(d) 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2003**

(e) Property, Plant and Equipment

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

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

(f) Depreciation

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

(g) Leases

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

(h) Payables and Receivables

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

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

(i) Employee Benefits

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

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

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

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

(ii) Accrued Salaries and Wages – Reclassification

As a result of the adoption of Accounting Standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets", accrued salaries and wages and on-costs has been reclassified to "payables" instead of "provisions" in the Statement of Financial Position and the related note disclosures, for the current and comparative period.

(iii) Long Service Leave

Long service leave is measured on a short hand basis. The short hand method is based on the remuneration rates at year-end for all employees with five or more years of service. It is

considered that this measurement technique produces results not materially different from the estimate determined by the present value basis of measurement.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2003**

(j) Superannuation

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

(k) Long Service Levy

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

(l) Revenue Recognition

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

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

Revenue from outside operating activities includes:

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

(m) Financial Instruments

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

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

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

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

Investments with TCorp

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

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

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2003**

	2003	2002
	\$'000	\$'000
2 CASH		
Cash at Bank and on Hand	1,149	608
3 RECEIVABLES		
(a) Current		
Long Service Levy	2,474	2,545
Prepayments	237	307
Interest	6	6
Other	156	166
Less: Provision for Doubtful Debts	(2)	(37)
	2,871	2,987
(b) Non-Current		
Prepaid Superannuation Contributions	19	581
	2,890	3,568

4 OTHER FINANCIAL ASSETS

Investments

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

(a) Current		
Cash Facility Trust	2,104	3,323
(b) Non-Current		
Long Term Growth Facility Trust	353,941	366,487
	356,045	369,810

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2003**

	2003	2002			
	\$'000	\$'000			
5 PROPERTY, PLANT AND EQUIPMENT					
Plant and Equipment at fair value	2,107	1,966			
Less Accumulated Depreciation	(719)	(1,448)			
	1,388	518			
	Plant and	Leasehold	Computer	Motor	Total
	Equipment	Improvements	Equipment	Vehicles	
	\$'000	\$'000	\$'000	\$'000	\$'000
30 June					
2003					
Carrying amount at start of financial year	247	-	165	106	518
Additions	516	884	24	45	1,469
Disposals	(741)	-	(587)	-	(1,328)
Transfer/(Adjustments for disposals)	553	-	535	-	1,088
Depreciation	(129)	(101)	(95)	(34)	(359)
Carrying amount at end of financial year	446	783	42	117	1,388
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
	2003	2002			
	\$'000	\$'000			
6 PAYABLES					
Long Service Payments	316	199			
Long Service Levy Commissions	104	109			
Accrued Salaries and Wages	84	60			
Administrative Expenses	776	226			
	1,280	594			
7 PROVISION FOR EMPLOYEE BENEFITS					
(a) Current					
Recreation Leave	316	277			
Long Service Leave	77	71			
	393	348			

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2003**

	2003	2002
	\$'000	\$'000
(b) Non-Current		
Long Service Leave	1,289	1,112
Employer Superannuation Contribution	337	260
	1,626	1,372

Aggregate employee benefits and related on-costs

Provisions – current	393	348
Provisions – non current	1,626	1,372
Accrued Salaries and Wages	84	60
	2,103	1,780

Unfunded Superannuation Liability/Prepaid Superannuation Contributions Statement 30 June 2003:

Monetary Value	SASS	SANCS	SSS
	\$	\$	\$
Actuarial Superannuation Liability	(630,990)	(412,401)	(5,171,914)
Reserve Account Balance as at 30 June 2003	601,948	104,521	5,190,952
(Unfunded Liability)/Prepaid Contributions as at 30 June 2003	(29,042)	(307,880)	19,038

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

	2003/04	2004/05	2005/06
	%	%	%
Rate of investment return	7.0	7.0	7.0
Rate of salary increase	4.0	4.0	4.0
Rate of increase in CPI	2.5	2.5	2.5

	2003	2002
	\$'000	\$'000
8 PROVISION FOR SCHEME LIABILITIES		
(a) Current	35,000	34,500
(b) Non-Current	328,200	323,900
	363,200	358,400
Balance at the beginning of the financial year	358,400	302,000
Balance at the end of the financial year	363,200	358,400
(c) Long Service Payments Liability Expense	4,800	56,400

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2003

A full actuarial investigation was undertaken as at 30 June 2002 by Professional Financial Solutions. For the purpose of this valuation the following number of workers were considered:

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

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

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

Professional Financial Solutions estimate for the scheme liabilities was \$353.6M at 30 June 2002. This estimate differs slightly from the estimate by the Government Actuary's Office and recognised in the Corporation's financial report for 30 June 2002 of \$358.4M.

At 30 June 2003, Professional Financial Solutions undertook an actuarial update. Based on the claims data provided by the Corporation for the 12 months ending 30 June 2003 and information provided on new entrants through the period, the actuaries estimated the scheme liabilities to be \$363.2M at 30 June 2003.

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

	2003 \$'000	2002 \$'000
9 Equity		
Retained Surplus at the beginning of the financial year	13,790	89,838
(Deficit)	<u>(18,817)</u>	<u>(76,048)</u>
(Accumulated Losses)/Retained Surplus at the end of the financial year	<u>(5,027)</u>	13,790
10 Investment Returns		
Cash Facility Trust	82	83
Long Term Growth Facility Trust	<u>(6,546)</u>	<u>(8,916)</u>
	<u>(6,464)</u>	<u>(8,833)</u>
11 Long Service Levy		

Long Service Levy	34,238	30,249
Long Service Levy Refunds	(582)	(619)
	33,656	29,630

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2003**

	2003	2002
	\$'000	\$'000
12 Other Income		
Interest	47	45
Profit on Disposal of Plant and Equipment	-	17
Miscellaneous Income	4	1
	51	63
13 Long Service Payments		
Workers	28,247	28,752
Employers	1,682	2,112
Medical Incapacity	967	1,009
Deceased	453	533
	31,349	32,406
14 Employee Related Expenses		
Salaries including Recreation Leave	3,219	2,848
Long Service Leave	394	152
Superannuation	1,059	1,000
Payroll Tax and Fringe Benefits Tax	179	171
Temporary Assistance	441	290
Other Employee Related Expenses	56	99
	5,348	4,560
The average number of "equivalent full time" employees during the financial year was 59.40.		
15 Operating Expenses		
Computing	709	373
Marketing	97	71
Travel	63	50
Occupancy	1,016	663
Long Service Levy Commissions	933	940
Consultancy	40	26
Audit remuneration - audit of financial report	58	43
Services Agreement *	426	355
Loss on Disposal of Plant and Equipment	218	-
Other Administrative Expenses	644	614
	4,204	3,135

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2003**

2003	2002
\$'000	\$'000

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

Director-General's Office	84	76
Employee Services and Strategic Development	310	244
Legal Services	32	35
	426	355

16 Net Cash Flows from Operating Activities

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

Operating Result	(18,817)	(76,048)
Plus/(minus) non-cash items:		
Depreciation	359	407
Investment Income	6,546	8,916
Superannuation Liability Adjustment	638	567
Long Service Payments Liability Expense	4,800	56,400
Net (Profit)/Loss on Disposal of Plant and Equipment	218	(17)
Change in Asset and Liabilities:		
(Increase)/Decrease in Receivables	116	(373)
Increase/(Decrease) in Payables	662	85
Increase/(Decrease) in Provisions	246	113
Net Cash Used In Operating Activities	(5,232)	(9,950)

17 Closing Cash and Cash Equivalents

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

Statement of Financial Position		
Cash Assets	1,149	608
Other Financial Assets	2,104	3,323
Statement of Cash Flows	3,253	3,931

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2003**

2003	2002
\$'000	\$'000

18 Commitments

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

Not later than one year	450	343
Later than one year and not later than 5 years	1,665	1,115
More than 5 years	1,655	-
Total (including GST)	3,770	1,458

The total operating lease commitments above include input tax credits of \$342,000 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	14	21
Total (including GST)	14	21

The total operating expenditure commitments above include input tax credits of \$1,260 that are expected to be recoverable from the ATO.

19 Financial Instruments

(a) **Interest Rate Risk**

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2003**

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

(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 2003	Governments	Banks	Other	Total
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Cash Assets	-	1,149	-	1,149
Receivables	-	-	2,871	2,871
Other Financial Assets	356,045	-	-	356,045
Total Financial Assets	356,045	1,149	2,871	360,065

30 June 2002	Governments	Banks	Other	Total
	\$'000	\$'000	\$'000	\$'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

(c) Net Fair Value

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2003**

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 and chaired by the Director-General of the Department of Commerce. 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.

The three year term of the previous Industry Committee expired on 31 July 2002 and a new committee was appointed by the Minister for a three year period effective from 1 August 2002 to 31 July 2005. During 2002-03 the Industry Committee met on two occasions.

It is with deep regret that the Corporation notes the passing of Mr Barry Harridge and acknowledges his outstanding contribution as a member of the Industry Committee for nearly a decade.

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 3 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	
	01/02	02/03	01/02	02/03
Rejected Application to Join scheme	0	0	1	0
Refusal of Service Credits	2	2	9	1
Total	2	2	10	1

CHAIRPERSON

Ms Kate McKenzie BA, LLB
Director-General, Department of Commerce
Committee Member, Industrial Relations Steering Committee
Attended 2 meetings

MEMBERS

MEMBERS NOMINATED BY THE LABOR COUNCIL OF NSW

Mr Andrew Ferguson BEc, MEc, Dip Ind Law, Dip Urban Studies
NSW General Secretary, CFMEU
NSW Secretary, CFMEU (Construction and General Division) NSW Branch
Director, Australian Construction Industry Redundancy Trust
Director, COMET Training
Director, MEND Rehabilitation
Director, Building Workers' Assistance Centre Employment
Member, Construction Industry Reference Group
Executive Member, Labor Council of NSW
Member, WorkCover NSW Occupational Health & Safety Council
Attended 0 meetings

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

Mr Michael Doust
Organiser
Electrical Trades Union
Attended 1 meeting

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

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

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

Mr 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 1 meeting

MEMBERS DIRECTLY APPOINTED BY THE MINISTER

Mr John Robertson GradDip Employment Relations/Industrial Law (UTS)

Secretary, Labor Council of NSW

Director, Labor Media

Director, Labor Campaign

Director, Getonboard

Director, WorkCover NSW

Trust Member, Parramatta Stadium Trust

Board Member of:

- ◆ North South West Co-operative Housing Society Group Ltd
- ◆ Homeseekers Co-operative Housing Society
- ◆ City Central Co-operative Housing Society
- ◆ Macquarie Co-operative Housing Society
- ◆ NSW Co-operative Housing Society
- ◆ Combined Unions Co-operative Housing Society

Attended 1 meeting

Mr Doug Wright AM BEc, BA

Representational and Special Services, Australian Industry Group

Director, Hunter Valley Training Company Ltd

Director, WorkCover NSW

Member, ANTA National Training Quality Council

Chairman, Manufacturing, Engineering and Related Services: Industry Training Advisory Body

Member, NSW Vocational Education and Training Accreditation Board

Member, TAFE Commission Board

Member, Commonwealth Study Conference Executive Committee

Member, Plan-It-Youth Mentoring Program, State Reference Group

Attended 2 meetings

Ms Elizabeth Crouch BEc

Executive Director-NSW, Housing Industry Association

Member, Home Building Advisory Council

Member, Macquarie University Council

Member, National Association Women In Construction

Attended 1 meeting

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 2 meetings

DEPUTY MEMBERS

DEPUTY MEMBERS NOMINATED BY THE LABOR COUNCIL OF NSW

Ms Keryn McWhinney
Senior Wage Claims Officer, CFMEU (Construction & General Division) NSW Branch
Member, Vocational Training Tribunal of NSW
Member, Vocational Training Appeal Panel
Attended 2 meetings

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

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

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

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

Mr Peter Ryan BBus Econ
Senior Adviser-Employee Relations
Employers First
Attended 1 meeting

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

DEPUTY MEMBERS DIRECTLY APPOINTED BY THE MINISTER

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

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

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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.

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
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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 and enhanced.

What if customers have any problems or suggestions?

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

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

The Customer Council (Industry Committee)

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

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

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

Appeals against decisions by the Corporation

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

Appendix 2

PERFORMANCE INDICATORS FOR PROVISION OF SERVICES

SERVICE	TARGET	RESULTS
Turnaround of written inquiries (excluding <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	RESULTS
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 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.	2.2 days
Emergency computer hardware and software problems responded to within 1 hour	90%.	Achieved.
Standard computer hardware and software request responded to within 2 working days	90%.	Achieved.
Computer system availability between 8.30 am and 5.00 pm	98% in each month.	Achieved.
Computer system recovery	100% within 8 working hours.	Achieved.
Bulk documents updated to main computer systems	Within 3 working days.	Achieved target 90% of time and 100% within 6 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 for workers and employers to ensure that requirements were well explained and workers obtained benefits to which they are 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 information was included in correspondence to workers and employers.

Visits by field staff to employers significantly increased during the year while maintaining a substantial number of visits to rural and regional areas as in previous years.

Marketing and Communication Activities

Marketing and communication activities play a key role in compliance strategies. Major market research undertaken in 2001 provided the basis for the development of the Corporation's 2002/2003 Marketing Plan, with a mission to improve the Corporation's communication with, and knowledge of, participants in the building and construction industry.

In response to this market research, development of a new corporate branding and image commenced during the year and the new image and logo were launched in September 2003 as part of the *Annual Statement of Recorded Service* issued to worker members.

A review of the channels used to communicate with the building and construction industry was undertaken leading to a greater emphasis on developing strategies that increase face to face contact with industry participants.

A model framework developed for targeting workers from non-English speaking backgrounds and to use such workers and their networks to enhance information dissemination has been piloted with Korean workers. Culturally appropriate training material was developed in conjunction with the Korean Cultural Centre and training in the scheme was provided to identified Korean workers. These workers were then encouraged to promote the scheme to their work colleagues. Accountants who deal with the Korean community were also specifically targeted with promotional material.

Marketing and communications in 2003/2004 will concentrate on expanding and promoting the Corporation's new identity within the industry while continuing to focus on improving compliance.

Customer Complaints

There were no complaints made to the Corporation by way of the formal complaints mechanisms in place. This compares to four that were made and resolved in the previous year. However, there were eleven representations to the Minister (compared with seven in 2001-2002), relating to cancelled registrations, setting of registration dates, recording of service, long service entitlements and worker coverage. The provisions of the scheme legislation and policies were explained to the complainants.

Appendix 4

LEGISLATIVE CHANGE

There were no legislative changes since the publication of the last Annual Report.

Appendix 5

FREEDOM OF INFORMATION ACT 1989

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

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

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

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

The Summary of Affairs of both Agencies are published in the Government Gazette and in respect of the Corporation were published in the Government Gazette No 265 of 27 December 2002 and No 105A of 27 June 2003.

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

The FOI Coordinator
Locked Bag 3000
Central Coast MC NSW 2252

or lodged on

Ground Floor
Corner Donnison and Baker Streets
GOSFORD NSW 2250

Freedom of Information (FOI) Requests

	Agency 968				Agency 1682			
	2002-03		2001-2002		2002-03		2001-02	
	Personal	Other	Personal	Other	Personal	Other	Personal	Other
Total FOI requests	0	0	0	0	0	0	0	0

There were no FOI requests in 2002-03 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 2001-02 or 2002-03.

Appendix 6

PRIVACY AND PERSONAL INFORMATION PROTECTION ACT

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

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

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

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

Appendix 7

DISABILITY PLAN

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

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

Access

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

The physical nature of the work involved in the Corporation's client industry limits opportunities for industry based programs for people with disabilities. However, the scheme allows access to accrued benefits and, in some circumstances, continuation of the recording of service credits due to disability. In 2002-03, 578 grants of service on medical grounds were made totalling 159,093 days and 434 long service payments totalling \$986,749 were paid to members who became totally incapacitated for work in the industry and were forced to leave the industry.

Employment

The Corporation employs 6 staff identified as having physical disabilities, which is about 10% 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. The scheme legislation includes provisions to help preserve women's registrations in the scheme if they are pregnant.

Staff

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

The Corporation has continued flexible working arrangements that 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 Key Result Areas is shown below:

Key Result Area	Achievements
<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 parties 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. This initiative appears very useful with about 2000 accessing these documents in the last year. • 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 225,339 workers together with their annual statements in October/November 2002. • Basic scheme information can be printed from the website in fourteen community languages and are available to assist workers to register. • The Corporation's legislation includes requirements for employers to register their workers thus ensuring workers with low English proficiency have access to the scheme. • Information in fourteen community languages is now included on the reverse of all letterhead. • A model framework developed for targeting workers from non-English speaking backgrounds and to use such workers and their networks to enhance information dissemination has been piloted with Korean workers. • 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. •

Appendix 10

PROGRAM EVALUATION

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

Five 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. 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 2002-03 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: \$3,370,000.
- 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:	Breakdown	\$ 1,173,800
	Data carrying media	\$ 220,000
	Air conditioning	Included in breakdown figure.
	Data restoration	\$220,000

- **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 three new Worker's Compensation claims during the year. All claims 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 business 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 in place. Recovery of the Corporation's key business systems onto alternate contingency computer servers from backup tapes has been successfully performed since the relocation to Gosford. Other aspects relating to computer networks and telephone services are being refined as these are provided by WorkCover NSW under a shared partnership arrangement.

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

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 a minimum of 60 percent recycled paper. In addition, all waste paper products are disposed of either in the secure or general collection bins provided for regular collection and recycling. The Corporation recycles all printer toner cartridges.

The Corporation has introduced the option of electronic lodgement of certificates of service information for workers, which will reduce the print numbers of these certificates. Electronic funds transfer is the preferred method of payment and six out of seven payments to workers now occur electronically. Internet and emails have also moderated the use of paper-based products. Faxed material can now be received and stored electronically and despatched faxes can be sent directly from computer workstations without the use of paper.

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

Appendix 13

GOVERNMENT ENERGY MANAGEMENT POLICY

Energy reduction strategies are in place and include:

- modern computer and photocopying equipment with sleep modes, if not in use;
- staff procedures to turn off computers, monitors and photocopiers at night,
- all CRT computer monitors have been replaced with LCD monitors with considerable energy saving over the life of the equipment.

The Corporation's fleet consists of a majority of small cars with the remainder being medium size vehicles, which due to their fuel economy are not considered economic for conversion to alternative fuels.

The new Gosford office was designed to include the latest in energy saving technology.

Appendix 14

INFORMATION TECHNOLOGY

Information technology both computer and telephony is crucial to the business of the Corporation and its service provision to customers.

Following relocation of the main office to Gosford, a shared partnership agreement for information technology and telecommunication services was entered into with WorkCover NSW. The arrangement with WorkCover enables access to state-of-the-art telephone and computer network infrastructure including disaster recovery capability and provides a substantial base from which to improve future customer services.

With the technology, the Corporation will be able to keep communication costs low, particularly in respect of servicing the telephone Helpline from the Gosford location, and maintain operating efficiencies between its main office and branch office.

During the year, the following projects were progressed:

- Re-development of the corporate intranet to provide staff with ready access to corporate knowledge so they can better serve customers. The inclusion of corporate knowledge on the intranet will also assist in business continuity goals. The project is scheduled to be completed by the end of 2003.
- Enhancements to the core business systems, the levy system and worker service records system, to address operational issues and policy changes.
- Investigation of technologies to better control and access paper and electronic information received by the Corporation.

Appendix 15

OCCUPATIONAL HEALTH AND SAFETY

The Occupational Health and Safety Committee consists of two management members and four staff representatives. The Committee met on 2 occasions during 2002-03. 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. Four 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.

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

Appendix 16

EQUAL EMPLOYMENT OPPORTUNITY

IMPACT OF RELOCATION ON STAFF

In October 2001, it was announced that the Corporation would relocate to Gosford in late 2002, into a new building with WorkCover NSW. The nature of the change and short lead-time to the relocation challenged the Corporation in planning and balancing the impacts of the relocation on its workforce, including EEO minority groups. Of the 58 permanent staff at the time of the announcement, only 27 continued their employment with the Corporation at Gosford. From the remaining 31 officers, 21 found alternate employment, 4 accepted voluntary redundancy and 6 were transferred to a new office at Lidcombe.

To assist staff wishing alternate employment in Sydney, the Corporation funded a Career Transition Officer to provide intensive case management and individual services and support.

EEO STATISTICS

No formal grievances were lodged during the year.

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

	As at 30.6.2001			As at 30.6.2002			As at 30.6.2003		
	Total	ATSI	PWPD	Total	ATSI	PWPD	Total	ATSI	PWPD
Total employees	51	0	8	57	1	7	57	0	6
Recruitment	9	0	1	14	-	1	16	0	3

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 30.6.01			As at 30.6.02			As at 30.6.03		
	Total	Women	NESB	Total	Women	NESB	Total	Women	NESB
Gde 1-2	8	5	4	7	5	2	7	5	2
%		62.5%	50%		71.4%	28.6%		71.4%	28.6%
Gde 3-5	27	15	2	36	19	2	31	19	1
%		55.6%	7.4%		52.3%	5.6%		61.2%	3.2%
Gde 6-9	14	4	4	7	2	0	13	4	2
%		28.6%	28.6%		28.6%	0%		30.7%	15.4%
Gde 10-12	7	4	3	6	3	2	5	2	2
%		57.1%	42.9%		50%	33.3%		40%	40%
Above Gde 12	1	0	0	1	0	0	1	0	0
Total	57	27	11	57	29	6	57	30	7
%		47.4%	19.3%		50.9%	10.5%		52.6%	12.3%

Notes:

NESB = Non English Speaking Background.

The Table only shows grades actually employed within the Corporation.

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

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

Appendix 17

HUMAN RESOURCES INFORMATION

As a result of the relocation to Gosford and Lidcombe there has been a high turnover of employees with many staff not in a position to relocate or commute to Gosford. A number of such staff were successful in gaining positions in the new branch office in Lidcombe, which is staffed with five Customer Service Officers and a Customer Services Manager, who were all formerly located in Oxford St.

Of the 58 staff at the time of the announcement of the relocation all but four either transferred to the new locations or were successful in finding alternate positions in the Public Sector through a Career Transition initiative funded by the Corporation. The remaining four staff accepted voluntary redundancy.

From 1 July 2003 human resource services have been provided by WorkCover NSW through a shared partnership arrangement implemented in response to Government policy initiatives.

	EFT* 1999-00	EFT* 2000-01	EFT* 2001-02	EFT* 2002-03
Number of staff employed	58.6	58.6	57.4	59.4

*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 issue for the Corporation was the relocation to Gosford and the opening of an office in Lidcombe and the associated staffing matters. Extensive union and staff consultation arrangements were established and operated very effectively.

The Workforce Management Centre of the Premier's Department was used to brief staff on services available to assist them in obtaining alternative employment in the Public Sector, if they were unable or did not wish to work on the Central Coast.

Training and development

As a consequence of the high turnover of staff, there has been a strong focus on induction of new staff and training in scheme operations. Career transition training was provided to existing staff, who were not in a position to commute or relocate to Gosford, to assist them in obtaining alternative employment within the public sector.

APPOINTMENTS

	1999-00	2000-01	2001-02	2002-03
Non Promotional Permanent (Base Grade)	-	-	-	-
Temporary	-	-	-	-
Promotional Permanent Positions	9	4	23	16
Temporary	-	-	1	-
Total	9	4	24	16

BREAKDOWN OF PROMOTIONAL RECRUITMENT

	1999-00	2000-01	2001-02	2002-03
Applicants outside the Public Sector	-	-	8	6
Applicants within the Corporation	-	1	5	2
Applicants from other Public Sector Organisations	5	3	11	8
Total	5	4	24	16

SEPARATIONS

	1999-00	2000-01	2001-02	2002-03
Resignations Permanent Officers	-	-	1	-
Separations Temporary Officers	-	-	1	-
Transfers on Grade within Public Sector	2*	1	14	10*
Promotions to other Public Sector Organisations	4*	4	2*	1
Voluntary Redundancy	-	-	-	4
Retirement	-	1	-	-
Total	6*	6	18	15

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

CHIEF AND SENIOR EXECUTIVE OFFICERS

	1999-00	2000-01	2001-02	2002-03
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* 1999-00	EFT* 2000-01	EFT* 2001-02	EFT 2002-03
Senior Executive Service	1	1	1	1
Clerk Grade 9-12	6.5	7	6.75	6
Clerk Grade 5-8	14.25	14	16.75	20
Clerk Grade 1-4	33.1	35.2	29.15	29
Clerical Officer Grade 1-2	-	-	-	0
Temporary contracting staff	3.75	1.4	3.75	3.4
Total	58.6	58.6	57.4	59.4

*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 one consultant in 2002-03, Professional Financial Solutions, to undertake an actuarial investigation of the sufficiency of scheme funding at a total cost of \$40,390.

Appendix 19**CODE OF CONDUCT**

The Corporation applies the Code of Conduct of the NSW Department of Commerce. 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 copies of the Annual Report were printed at a total cost of \$5130.40 including artwork and printing.

Appendix 21

ANNUAL REPORT AVAILABILITY

The Corporation makes available copies of its annual reports on its website <http://www.lspc.nsw.gov.au> after tabling in Parliament.

Appendix 22

OTHER DISCLOSURES

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

Appendix 23

PUBLICATIONS

Publications available from the Corporation include:

- Annual Report 2001-2002. ☒
- 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 2003. ☒
- Information for worker members booklet.
- Building and construction industry wall planner calendar 2003. ☒
- Employer newsletter 2002. ☒
- Information '2002 – 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?'
- Information to assist in completing your employer application for payment ☒
- Levy collection agent manual (for councils only).
- Counter Stand – partial exemption information (for councils only).
- Levy poster (for councils only).
- Information for levy payers brochure.

Forms available from the Corporation

- Levy Payment form.
- Application for partial levy exemption by non profit, voluntary, sporting or church organisations form.
- Application for partial exemption of levy by owner builder form.
- Application to pay levy by instalments form.
- Application for levy refund - where work is not to proceed.
- Application for levy refund – except where work is not to proceed.
- Employee Certificate of Service form.
- Self-Employed Certificate of Service form.
- Employer Application for Worker Registration Form.
- Record Update 2002. ☒
- Request for voluntary cancellation.
- Appeal form.

☒ New publication or forms introduced in 2002-03

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

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