



ANNUAL REPORT

2014



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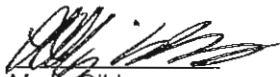


Hon. Michael Mischin MLC
Attorney General; Minister for Commerce
10th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6005

Dear Minister

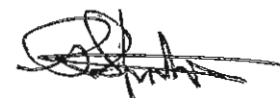
In accordance with section 63 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of the Construction Industry Long Service Leave Payments Board for the financial year ending 30 June 2014.

The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006.



Ms. L. Gibbs
Chair

Date:



Mr R. Sputore
Member of the Board

Date: 22/8/14

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Directory

CONSTRUCTION INDUSTRY LONG SERVICE LEAVE PAYMENTS BOARD

OFFICE:	1st Floor, 26 Colin Street, WEST PERTH, 6005
POSTAL ADDRESS:	PO Box 1333, WEST PERTH, 6872
WEB ADDRESS:	www.myleave.wa.gov.au
EMAIL:	hi@myleave.wa.gov.au
TELEPHONE:	08 9476 5400
FACSIMILE:	08 9321 5404
BANKERS:	Bank of Western Australia Limited
ACTUARY:	Pricewaterhouse Coopers
AUDITORS:	Auditor-General's Office
BUSINESS HOURS:	8.30 am to 5.00 pm Monday to Friday
PUBLICATIONS:	Pamphlets and other material explaining the Scheme are available from the Board's Office and the Board's web site.

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OVERVIEW

Executive Summary


The 2014 year under review was highlighted by some record breaking performance. MyLeave is pleased to advise that the investment portfolio reached, and has now exceeded \$420M, the Balance Sheet Equity now exceeds \$110M and the number of benefits paid to workers during the year exceeded 3,500.

Notwithstanding the above comments, the data recorded by MyLeave from quarterly employer returns indicates construction industry activity has passed its peak and is now softening. This is confirmed in the average number of workers contributed for each quarter, service days recorded each quarter and also annual worker wage growth. Furthermore, the number of active workers with interstate addresses has significantly reduced suggesting a contraction in the number of WA employment opportunities. The level of interstate workers peaked in December 2012 at approximately 11,000 and has now reduced to less than 8,000.

In regards to workers, key performance statistics over recent years show:

Workers	2010	2011	2012	2013	2014	Annual Movement
Total registered	67 033 (+8%)	74 845 (+12%)	95 585 (+28%)	120 259 (+26%)	131 517 (+9%)	+ 11 258
Total contributed for (average per quarter)	56 374 (nom)	62 047 (+10%)	69 619 (+12%)	76 748 (+10%)	74 384 (-3%)	- 2 364
Number of benefits paid	2 279	2 273	2 556	3 112	3 540	+ 428
Value of benefits paid	\$16.3M	\$16.9M	\$20.5M	\$24.8M	\$29.1M	+ \$4.3M

The above data shows rapid growth in registered workers however it is important to note that part of the effect of this has been the business efficiency improvement in 2012 whereby MyLeave now automatically registers eligible workers when they appear on an employer's quarterly return.



Number of active workers is reducing

The most relevant indicator of workers in the industry is the average per quarter contributed for. The table above shows steady growth of 10%/12% per annum from 2010 to 2013 however for the 2013/2014 year there has been a reduction in the average of -3%. It is also relevant to note that the reduction has been steady over the past year i.e. September 2013 quarter recorded 77,052 workers and this reduced to 73,015 workers in the March 2014 quarter. Under heading Significant Issues and Trends (page 11) it is commented that MyLeave is closely monitoring industry activity due to the direct impact on the contribution levy collected and also worker payments.

In regards to worker payments, the number of benefits paid during the year totalled 3,540 which was a 14% increase on 2013 level. The volume of payments also impacted the value which exceeded \$29M for the year. MyLeave is very pleased with this significant benefit for construction workers which therefore enable workers to take a well-earned long service leave break. Furthermore, with an outlook for a reduction in construction industry activity the long service leave entitlement provides a financial buffer for workers which have an unintended or unanticipated break in employment activity.

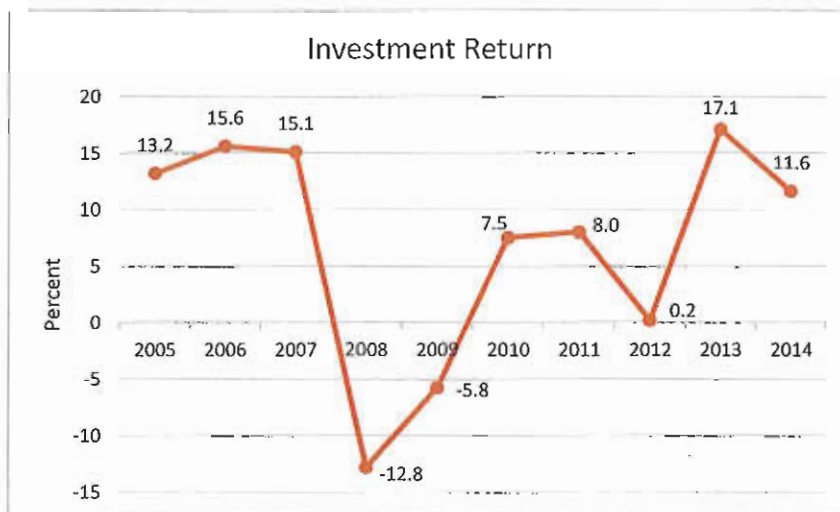
The Statement of Comprehensive Income in this Annual Report (page 14) details the contribution from employers at \$71.0M and this level is similar to the \$72.6M recorded in 2012/2013. The level of contribution is impacted by the underlying industry activity, which as detailed, is softening. The level of contribution is also affected by the actual contribution levy percentage payable by employers.

Executive Summary (continued)

Effective from 1 January 2014 MyLeave was pleased to be able to reduce the contribution levy to 1.90% (-0.10%) and this reduction is in line with a key MyLeave business Objective. The outlook for the contribution levy percentage is further commented under this heading.

In addition to the contribution levy, the financial position of MyLeave is significantly impacted by the return on the investment portfolio. The Investment Income recorded for the year was \$48.4M which was a return of 11.63%. This return of 11.63% was very pleasing as it is well in excess of the long term average return of 7.4% per annum.

The annual investment return is a key part of MyLeave's forecasting and the considerable variances in the investment return on a year in/year out basis presents a challenge in the forecasting process. MyLeave's investment returns over the past decade are detailed below.



The growth in the construction industry as evidenced by the number of workers and pay rates has meant that MyLeave has had to grow the investment portfolio to align to the Actuary's calculation of the total actuarial liability for worker payments. The investment portfolio also is required to have a financial buffer to cover market downturns.

The investment portfolio (including cash deposits held by MyLeave), has grown significantly over recent years as shown below:

**Strong
portfolio
growth**

Investment Portfolio					
2009	2010	2011	2012	2013	2014
\$115M	\$155M	\$208M	\$253M	\$342M	\$424M

The growth in the investment portfolio has the ability to, year in / year out, have a substantial impact on MyLeave's Balance Sheet. To ameliorate the adverse impact of market movements MyLeave utilises the service of the Commonwealth Bank as Investment Advisor and has established a well-structured investment portfolio which is invested in various key asset classes. Furthermore, within those asset classes, MyLeave invests with various individual Fund Managers with investment styles which are designed to provide an optimum level of performance with a reduced level of deviation in the range of performance outcomes over the years.

Executive Summary (continued)

The table below shows MyLeave's Strategic Asset Allocations (Benchmark and Actual) and Note 17 to the Financial Statements (page 36) provides specific details of the individual Fund Managers as at 30 June 2014.

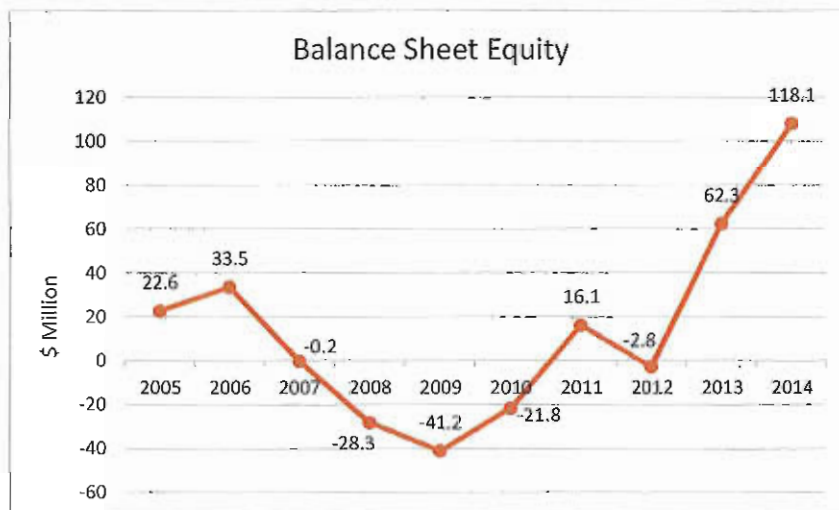
Asset Class	Strategic Asset Allocation	
	Benchmark	Actual 30/06/2014
Cash	15%	14.78%
Fixed Interest	25%	25.13%
<i>Sub Total</i>	<i>40%</i>	<i>39.91%</i>
Australian Equities	32%	30.81%
International Equities	18%	18.95%
Property & Infrastructure	10%	10.33%
<i>Sub Total</i>	<i>60%</i>	<i>60.09%</i>
Total	100%	100%

In 2013 we were pleased to report sound financial performance and this trend was repeated in 2014 with above budget performance in the Contribution from Employers and also the Investment Income. Also, MyLeave's Actuary (Pricewaterhouse Coopers) has updated the actuarial liability which was \$329.9M and slightly in excess of forecast of \$327.5M.

As a result of the above factors MyLeave's Balance Sheet, as summarised below, records an improving financial position.

Balance Sheet	2013	2014	Movement
Assets	\$362.8M	\$449.2M	+\$86.4M (+24%)
Liabilities	\$300.5M	\$331.1M	+\$30.6M (+10%)
Equity Surplus	\$62.3M	\$118.1M	+\$55.8M (+90%)

The longer term Balance Sheet Equity Surplus / Deficiency and movement is shown in the graph below.



Executive Summary (continued)

The 2014 Balance Sheet Equity Surplus of \$118.1M appears significant and is at the higher level of MyLeave's Board approved Accounting Ratio range. The Accounting Ratio range is important to ensure that MyLeave continues to deliver against its Mission *"To provide a financially sustainable portable long service leave Scheme for eligible Western Australian construction industry employees"*.

The strengthened Balance Sheet will be a key factor when Board Members make their recommendation to the Minister for the contribution levy percentage for 2015. Another key consideration will be the outlook for investment returns. Positive investment returns have been achieved for the past consecutive 5 years with 2013 and 2014 being very strong and well above the long term average. Furthermore in early 2014 the All Ordinaries Accumulation Index, the Dow Jones Industrial Average and S&P 500 reached record highs. Against this strong investment market back drop, Board Members will have a cautious outlook for short term investment returns. Notwithstanding this, there is a level of optimism that the recent trend (2012 and 2014) of contribution levy percentage reductions will continue and employers will receive the benefit of a further reduction effective from 1 January 2015.

For the benefit of employers, MyLeave will continue to implement its strategy of minimising the range of movement in the contribution levy percentage.

A message regarding the 2015 contribution levy percentage will be detailed on the MyLeave website as soon as possible however in line with the ministerial process for the approval of levy changes this will not be until late December 2014/early January 2015. Any changes to the levy will be reflected in the quarterly return for the period January - March 2015 i.e. payable 15 April 2015.

From an operational viewpoint MyLeave has had a very low staff turnover which assists in the provision of service quality to stakeholders. MyLeave will continue its program of "on the job" training to employees to ensure service quality is maintained. The MyLeave team continues to embrace its Vision *"To achieve excellence in the delivery of long service leave entitlements to construction industry employees."*

As detailed, the 2013/2014 year was very active for MyLeave and Board Members are pleased with MyLeave's growth and the invaluable benefit provided by the Scheme to employers and construction industry workers.

OPERATIONAL STRUCTURE

Enabling Legislation

The Construction Industry Long Service Leave Scheme (the Scheme) was established by 'The Construction Industry Portable Paid Long Service Leave Act, 1985' (the Act) which was assented to on 13 December 1985.

The Act and the Regulations prescribing the Awards to be included in the Scheme were proclaimed on 19 December 1986. The Scheme commenced by Ministerial Order on the appointed day of 6 January 1987.

Responsible Minister

The Honourable Michael Mischin MLC, Attorney General; Minister for Commerce.

Mission

To provide a financially sustainable portable Long Service Leave Scheme for eligible Western Australian construction industry employees.

Objectives

1. To fully implement the Scheme within the Western Australian construction industry:-
 - By ensuring all eligible employers are registered and that contributions are being paid for eligible employees; and
 - By registering all eligible construction industry employees.
2. To minimize the contribution rate payable:-
 - By maximizing the rate of return on investment funds; and
 - By minimizing the administrative cost of the Scheme.

Vision

To achieve excellence in the delivery of long service leave entitlements to construction industry employees.

Values

Working together



Establishing and maintaining long term relationships based upon mutual trust, respect and understanding

Honesty & integrity



Being open and honest and acting with integrity in all our dealings

Excellence in service delivery



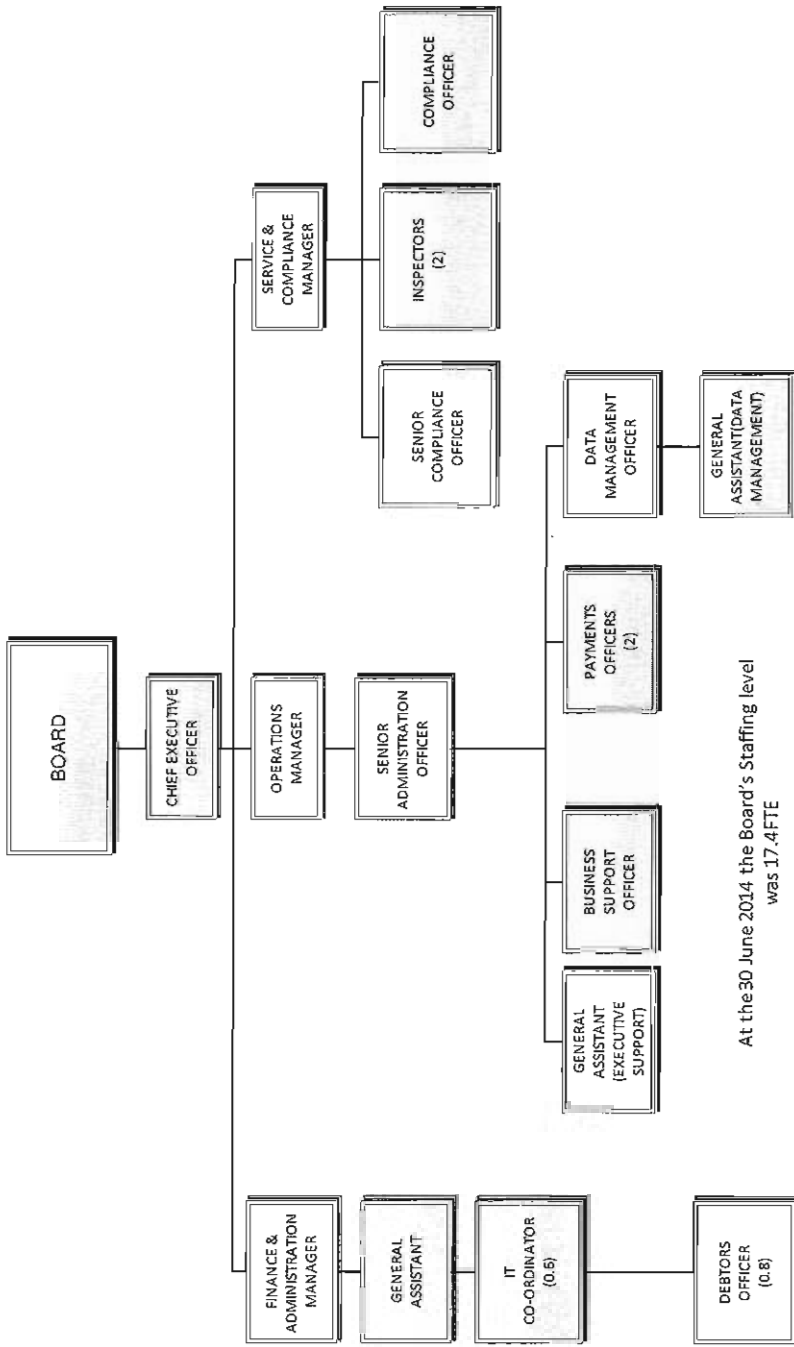
Exceeding our commitments to stakeholders and understanding and addressing both current and future needs

Consistency



Delivery of a consistent approach in terms of legislative requirements in our decision making processes

ORGANISATIONAL CHART



At the 30 June 2014 the Board's Staffing level was 17.4FTE

OPERATIONAL STRUCTURE (continued)

The Board

Formal title: Construction Industry Long Service Leave Payments Board (the Board)
Business name: MyLeave

Appointment

The Act provides for the Scheme to be administered by the Board which is a body corporate comprising of seven members. The members of the Board have been appointed by the responsible Minister for a period of one year. Current Board members' appointments end on 24 September 2014.

In accordance with the provisions of the Act, two members representing employers are selected by the responsible Minister from nominations by the Master Builders Association of W.A. and the Chamber of Commerce and Industry of W.A.

To represent employees two members are selected from nominations by Unions W.A. and the Building Trades Associations of Unions of W.A.

Also in accordance with the Act the Minister appoints:

- one person who in the Minister's opinion represents the interests of employers in the construction industry
- one person who in the Minister's opinion represents the interests of employees in the construction industry

The Chair is a separate appointment by the Minister.

Board Members

CHAIR

Ms L. Gibbs LLB

MEMBERS

Representing employers:	Representing employees:
Mr W. Edwardes (Appointed 24/09/2013)	Mr M. Buchan
Mr M. McLean	Mr S. McCartney
Mr R. Sputore	Mr L. McLaughlan
Mr D. Lee (Resigned 24/09/2013)	

Board Meetings Attendance

	NUMBER OF MEETINGS ELIGIBLE TO ATTEND	NUMBER ATTENDED
Ms L. Gibbs (Chair)	7	7
Mr M. Buchan	7	5
Mr W. Edwardes	6	6
Mr D. Lee	1	Nil
Mr S. McCartney	7	5
Mr L. McLaughlan	7	5
Mr M. McLean	7	6
Mr R. Sputore	7	6

Senior Officers

Mr F. J. Youens CPA, F Fin, MAICD Chief Executive Officer	Mr J. Flint FCPA, FGIA, FCIS, P.Grad Bus, B.Bus Finance & Administration Manager
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**STATEMENT OF COMPLIANCE
FOR THE YEAR ENDED 30 JUNE 2014**

Key Legislation Impacting on Activities

A New Tax System (Goods and Services Tax Act) 1999
Auditor General Act 2006
Crime Corruption Commission Act 2003
Disability Services Act 1993
Electoral Act 1907
Equal Opportunity Act 1984
Financial Management Act 2006
Financial Management (Transitional Provisions) Act 2006
Freedom of Information Act 1992
Fringe Benefits Tax Assessment Act 1986
Government Financial Responsibility Act 2000
Income Tax Assessment Act 1936 (Cth)
Income Tax Act 1986
Industrial Relations Act 1979
Library Board of Western Australia Act 1951
Minimum Conditions of Employment Act 1993
Occupational Safety and Health Act 1984
Payroll Tax Assessment Act 2002
Public Interest Disclosure Act 2003
Public Sector Management Act 1994
State Records Act 2000
Superannuation Guarantee (Administration) Act 1992
Taxation Administration Act 2003
Trustees Act 1962
Workers Compensation and Injury Management Act 1981

In the financial administration of the Scheme the Board has complied with the requirements of the Financial Management Act 2006 and other relevant written law and exercised controls which provide reasonable assurance that the receipt and expenditure of monies and the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

At the date of signing the Board is not aware of any circumstances which would render the particulars included in this statement misleading or inaccurate.

**STATEMENT OF COMPLIANCE
FOR THE YEAR ENDED 30 JUNE 2014**

Performance Management Framework

Outcome Based Management Framework

A financially sustainable portable Long Service Leave Scheme for eligible Western Australian construction industry employees.

Changes to the Outcome Based Management Framework

The Board's Outcome Based Management Framework did not change during 2013/2014.

Shared Responsibilities with Other Agencies

The Board does not share responsibilities with any other agencies.

Report on Operations

Financial Targets: Actual performance compared to the Board's Budget Estimates

	2013-14 Estimate (a) \$000	2013-14 Actual \$000	2013-14 Variation \$000
Contribution From Employers	\$62,141	\$71,036	\$8,895 (b)
Investment Income	\$17,240	\$48,437	\$31,197 (c)
Total Equity	\$74,375	\$118,078	\$43,703 (d)

(a) As per the Board's Budget Estimates.

(b) Actual employer contribution levy rate higher than estimated.

(c) The investment return was 11.63% pa compared to the forecast 4.63% pa.

Investment Income comprises:

- Net investment revenue
- Interest revenue
- Losses/gains on disposal of investments
- Impairment losses on investments; and
- Change in the fair value of available-for-sale financial assets

(d) Equity variance due to the impact of (b) and (c) above and also the forecast opening 30 June 2013 Total Equity was lower than actual due to investment return in 2013 of 17.1% pa.

STATEMENT OF COMPLIANCE
FOR THE YEAR ENDED 30 JUNE 2014

Key Performance Indicators:

Actual performance compared to the Board's Budget Forecast

	2013-14 Estimate (1)	2013-14 Actual	2013-14 Variation
<p>Outcome: A financially sustainable portable Long Service Leave Scheme for eligible Western Australian construction industry employees.</p> <p>Key Effectiveness Indicators:</p>			
(i) eligible employers who have registered with the Board.	4,892	4,917	25
(ii) eligible and registered construction industry employees for whom contributions have been made.	83,655	74,384	(9,271)
(iii) qualifying service profile of construction industry employees for whom contributions have been made:-			
- Total number of employees qualified for a long service leave benefit	13,619	12,641	(978)
(iv) construction industry employees who have received a long service leave payment.	2,999	3,540	541
(v) eligible employers long service leave contribution rate.	1.41%	1.95%	0.54%
(vi) annual return derived from the Board's investments.	4.63%	11.63%	7.00%
<p>Service: Management of the Construction Industry Long Service Leave Scheme.</p> <p>Key Efficiency Indicators:</p>			
(i) average administrative cost per registered construction industry employee.	\$49.24 p.a	\$30.68 p.a	(\$18.56) p.a
(ii) full time equivalent staff employed per thousand of registered Western Australian construction industry employees.	0.13	0.13	(0)

(1) As per the Board's Budget, internal modelling and actuarial forecasts.

STATEMENT OF COMPLIANCE
FOR THE YEAR ENDED 30 JUNE 2014

Significant Issues and Trends

Current and emerging issues and trends

MyLeave monitors construction industry trends and market commentary to ensure the MyLeave operations are well structured to address changes in the industry. As detailed under the heading Executive Summary, the quarterly worker data submitted by employers to MyLeave indicates that the strong growth experienced in recent years has ceased and there has recently been a trend of a reduction in the average number of workers being contributed for.

Whilst there has been a recent positive trend in dwelling commencements the Housing Industry Association ("HIA") projections show a reduction (see table below) in commencements in the short / medium term.

Dwelling Commencements			
Year	Number	% Change	
2009-2010	25 530	+38%	Actual
2010-2011	21 050	-18%	
2011-2012	17 890	-15%	
2012-2013	24 190	+35%	Projected
2013-2014	27 460	+14%	
2014-2015	25 710	-6%	
2015-2016	24 700	-4%	

The Australian Construction Industry Forecasting Council ("ACIFC") has published the following historical results and detailed forecasts for the value of construction carried out in WA.

Value of Construction in Western Australia	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	Actual (\$ million)			Forecast (\$ million)		
Residential Building	11 358	10 143	9 957	10 581	10 772	11 048
Non Residential Building	5 514	6 153	5 583	5 731	5 765	5 598
Engineering Construction	25 780	41 315	43 058	43 686	38 165	35 263
Total Construction	42 651	57 611	58 598	59 999	54 702	51 909

As shown in the table above the value of Residential Building and Non Residential Building have a significant impact on the WA construction industry however, by far, the value of Engineering Construction has the most significant impact. It should be noted that the forecast for Engineering Construction is a reduction from \$44Bn in 2013/2014 to \$35Bn in 2015/2016. Notwithstanding this, the 2015/2016 forecast of \$35Bn is significantly higher than the actual of \$24Bn in 2009/2010.

An overall softening across the construction industry has the following direct impacts for MyLeave;

- 1) Contribution levy from employers will reduce,
- 2) Probability of an increase in the number of employers having difficulty in meeting their contribution levy obligation,
- 3) Increased number of payments to workers.

**STATEMENT OF COMPLIANCE
FOR THE YEAR ENDED 30 JUNE 2014**

Current and emerging issues and trends (Continued)

These impacts are further commented on below;

1) Contribution levy from employers

MyLeave's 2015 budget has incorporated a reduction in the contribution levy income as a result of factors which include a reduced participation rate by workers. This reduction is budgeted and therefore not considered a material financial risk to MyLeave.

2) Probability of an increase in the number of employers having difficulty in meeting their contribution levy obligation

As MyLeave collects the contribution levy on a quarterly basis in arrears it is exposed to a greater extent to bad and doubtful debts than a business with a shorter term payment cycle. In the 2013/2014 financial year MyLeave increased its compliance activity with the appointment of a Senior Compliance Officer to maintain a high degree of monitoring of the timely submission of returns and contribution levy payments by employers.

3) Increased number of payments to workers

The growth of the Scheme has resulted in a steady increase in the number, and value, of payments made per annum since 2011. Increased payments will be made to workers as a result of the increase in the Scheme and also as workers take leave during periods associated with unintended or unanticipated breaks in employment activity. MyLeave's Payments team has been upskilled during the year to cater for increased payment volumes. In addition, staffing capacity has been increased to cover for peak seasonal periods and annual leave absences. From a liquidity perspective MyLeave is cashflow positive from contribution levy collections so the projected increase in the value of payments is manageable from forecast cashflow without the need to drawdown from the investment portfolio.

MyLeave management will continue its close liaison with industry participants and Board Members, who are all active in the industry, to ensure emerging risks are identified and considered in a timely manner.

Changes in Written Law

There were no changes in any written law that affect the Board during the financial year.

Likely Developments

Nil



**STATEMENT OF COMPLIANCE
FOR THE YEAR ENDED 30 JUNE 2014**

Disclosure and Legal Compliance

FINANCIAL STATEMENTS

CERTIFICATION OF FINANCIAL STATEMENTS:

The accompanying financial statements of the Construction Industry Long Service Leave Payments Board have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2014 and the financial position as at 30 June 2014.

At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.

Signed this 22ND day of August, 2014

Ms L. Gibbs
Chair

Mr R. Sputore
Member of the Board

Mr J. Flint
Chief Finance Officer



STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$000	2013 \$000
INCOME			
<i>Revenue</i>			
Contribution from employers		71,036	72,611
Employer surcharges		1	1
Net investment revenue	6	18,509	13,263
Interest revenue	7	682	1,108
Other revenue		41	-
<i>Gains</i>			
Net gain on disposal of investments	9	-	38,548
TOTAL INCOME		90,269	125,531
EXPENSES			
Long service leave payments		29,101	24,786
Impairment losses of investments		-	2,740
Employee benefits expense	10	1,706	1,578
Supplies and services	11	1,358	1,805
Depreciation and amortisation expense	12	46	31
Finance costs	13	63	60
Accommodation expenses	14	309	270
Accrued long service leave liability	8	30,502	28,907
Net loss on disposal of investments	9	-	-
Other expenses	15	622	320
TOTAL EXPENSES		63,707	60,497
PROFIT FOR THE PERIOD		26,562	65,034
OTHER COMPREHENSIVE INCOME			
Change in the fair value of available-for-sale financial assets		29,246	-
Total other comprehensive income		29,246	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		55,808	65,034

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 \$000	2013 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	25	16,230	10,529
Receivables	16	454	541
Other current assets	18	24,285	19,770
Available-for-sale financial assets	17	408,100	331,831
Total Current Assets		<u>449,069</u>	<u>362,671</u>
Non-Current Assets			
Plant and equipment	19	121	91
Intangible assets	20	6	1
Total Non-Current Assets		<u>127</u>	<u>92</u>
TOTAL ASSETS		<u>449,196</u>	<u>362,763</u>
LIABILITIES			
Current Liabilities			
Accrued long service leave benefits liability	8	188,816	173,217
Payables	22	809	757
Provisions	23	350	287
Total Current Liabilities		<u>189,975</u>	<u>174,261</u>
Non-Current Liabilities			
Accrued long service leave benefits liability	8	141,049	126,145
Provisions	23	94	87
Total Non-Current Liabilities		<u>141,143</u>	<u>126,232</u>
TOTAL LIABILITIES		<u>331,118</u>	<u>300,493</u>
NET ASSETS		<u>118,078</u>	<u>62,270</u>
EQUITY			
Reserve	24	29,246	-
Retained earnings	24	88,832	62,270
EQUITY		<u>118,078</u>	<u>62,270</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	Fair Value Reserve \$000	Accumulated surplus/ (losses) \$000	Equity surplus/ (deficit) \$000
Balance at 1 July 2012		-	(2,764)	(2,764)
Profit/(loss)		-	65,034	65,034
Other comprehensive income			-	-
Total comprehensive income/(loss) for the year		-	65,034	65,034
Balance at 30 June 2013	24	-	62,270	62,270
Balance at 1 July 2013		-	62,270	62,270
Profit/(loss)			26,562	26,562
Other comprehensive income		29,246	-	29,246
Total comprehensive income/(loss) for the year		29,246	26,562	55,808
Balance at 30 June 2014	24	29,246	88,832	118,078

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.



CONSTRUCTION
INDUSTRY
LONG SERVICE
LEAVE SCHEME

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$000	2013 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from employers		72,678	72,280
Interest received		682	1,108
Other receipts		40	-
Payments			
Employee benefits		(1,637)	(1,573)
Supplies and services		(1,213)	(1,914)
Finance costs		(63)	(60)
Accommodation		(309)	(270)
Payments for long service leave		(29,100)	(24,786)
Other payments		(297)	(195)
Net cash provided by operating activities	25	40,781	44,590
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of investments		-	344,970
Distributions received		-	9,574
Payments			
Purchase of non-current physical assets		(81)	(51)
Purchase of investments		(34,999)	(413,405)
Net cash (used in) investing activities		(35,080)	(58,912)
Net increase/(decrease) in cash and cash equivalents		5,701	(14,322)
Cash and cash equivalents at the beginning of period		10,529	24,851
CASH AND CASH EQUIVALENT ASSETS AT THE END OF PERIOD	25	16,230	10,529

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014**

1. Australian Accounting Standards

General

The Construction Industry Long Service Leave Payments Board's ("the Board") financial statements for the year ended 30 June 2014 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Board has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Board cannot early adopt an Australian Accounting Standard or Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but are not operative) by the Board for the annual reporting period ended 30 June 2014.

2. Summary of significant accounting policies

(a) General Statement

The Board is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014**

(b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for financial instruments classified as available-for-sale which have been valued at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Board's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

At 30 June 2014 the Board has an excess of assets over liabilities of \$118.1 million (2013: excess of assets over liabilities of \$62.3 million).

(c) Reporting Entity

The reporting entity comprises the Construction Industry Long Service Leave Payments Board. There are no 'Related bodies'.

(d) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Contribution from employers

Contributions from employers are due at the end of each 3 month period. Consequently contributions due in respect of the quarterly period to 30 June 2014 have been accrued.

Investment revenue

Investment revenue comprises distributions received from managed funds investments and is recognised when the Board becomes entitled to receive the distributions.

Interest

Revenue is recognised as the interest accrues.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and gains on redemptions of investments in managed funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014**

(e) Plant and Equipment

Capitalisation/expensing of assets

Items of plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of plant and equipment are initially recognised at cost.

For items of property, plant and equipment acquired at no cost or for nominal cost, cost is their fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, the cost model is used for the measurement of all other plant and equipment. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation on assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Leasehold improvements	5 years
Furniture and fittings	10 years
Office equipment	3 to 5 years
Motor vehicles	6 to 7 years

(f) Intangible Assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred of less than \$5,000 are immediately expensed directly to the Statement of Comprehensive Income.

All acquired intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

(f) Intangible Assets (Continued)

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Board have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

Licences 3 to 5 years

Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

Computer software

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

(g) Impairment of Assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income.

As the Board is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated or where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at end of each reporting period.

(h) Leases

The Board has entered into a number of operating lease arrangements for the rent of the office building and motor vehicles where the lessors effectively retain all of the risks and benefits incidental to ownership of the items held under the operating leases. Lease payments are expensed on a straight line basis over the lease terms as this represents the pattern of benefits to be derived from the leased property and motor vehicles.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014**

(i) Financial Instruments

In addition to cash, the Board has the following categories of financial instrument:

- Receivables
- Financial liabilities measured at amortised cost
- Available-for-sale financial assets (includes units in quoted managed investment funds and managed listed shares).

These have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Receivables
- Units in quoted managed investment funds and managed listed shares
- Term deposits

Financial Liabilities

- Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material. Fair value of the available-for-sale financial assets are based on current bid prices.

(j) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(k) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts. The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Board will not be able to collect its debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(l) Investments and Other Financial Assets

The Board classifies its investments as available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at the end of each reporting period. Investments not at fair value are initially recognised at cost being the fair value of consideration given, including directly attributable transaction costs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014**

(l) Investments and Other Financial Assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable units and shares in managed investment funds, are non-derivatives that are either designated in this category or not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Gains or losses on available-for-sale financial assets are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the Statement of Comprehensive Income. The fair value of quoted investments are based on current bid prices.

Purchases and sales of investments are recognised on trade-date – the date on which the Board commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Board has transferred substantially all the risks and rewards of ownership.

The Board assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is no objective evidence of impairment then no action is taken at that time. However if there is objective evidence of impairment, then the Board calculates the amount of any loss and recognises it during that reporting period.

(m) Payables

Payables are recognised when the Board becomes obliged to make future payments as a result of a purchase of assets or services at fair value, as they are generally settled within 30 days.

(n) Provisions

Provisions are liabilities of uncertain timing and amount. The Board only recognises a provision where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting period.

Other Provisions

Employment on-costs

Employment on-costs, including workers' compensation insurance and payroll tax, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are not included as part of the Board's 'Employee benefits expense' and the related liability is included in Employment on-costs provision.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

(n) Provisions (continued)

Employee Benefits

All annual Leave and long service provisions are in respect of employees' services up to the end of the reporting period.

Annual Leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be a 'other long-term employee benefit'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and period of services. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Board does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Long service leave

Long service leave not expected to be settled wholly within 12 months after the end of the reporting period is therefore considered and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and period of services. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Conditional long service leave provisions are classified as non-current liabilities because the Board has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Superannuation

The Government Employees Superannuation Board (GESB) and other funds administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees varies according to commencement and implementation dates.

Eligible employees may contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or to the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014**

(n) Provisions (continued)

Superannuation (continued)

Employees commencing employment prior to 16 April 2007 who are not members of either the Pension Scheme or the GSS Schemes become non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees became able to choose their preferred superannuation fund provider.

The Board makes contributions to GESB or other funds on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. Contributions to these accumulation schemes extinguish the Board's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

Prior to July 1991 the Board had a private superannuation scheme for employees. This has since been wound up with all assets and members entitlements transferred to Asgard. The Board contributes to Asgard for those members still employed by the Board and the contributions made to this scheme extinguish any future liability for the Board.

The GSS, the WSS Scheme and the GESBS, where the current service superannuation charge is paid by the Board to the GESB, are defined contribution schemes. The liabilities for current service superannuation charges under the GSS, the WSS Scheme and the GESBS are extinguished by the concurrent payment of employer contributions to the GESB.

The GSS is a defined benefit scheme for the purposes of employees and whole of government reporting. However, from an agency perspective, apart from the pre-transfer benefits, it is a defined contribution plan under AASB119.

(o) Superannuation expense

Superannuation expense is recognised in the Statement of Comprehensive Income in profit or loss for defined contribution plans, including the concurrent payment of employer contributions to the GSS scheme, as and when the contributions fall due.

(p) Accrued Salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Board considers the carrying amount of accrued salaries to be equivalent to the net fair value.

(q) Finance costs

Finance costs are comprised of bank charges on the bank accounts held by the Board and are expensed when incurred.





**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014**

(r) Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

3. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have significant effect on the amounts recognised in the financial statements. The Board evaluates these judgements regularly.

Operating lease commitments

The Board has entered into a lease for building accommodation. The lease relates to the building of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

4. Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Long Service Leave

Several estimations and assumptions used in calculating the Board's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Board has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 January 2013 that impacted on the Board.

AASB 13	Fair Value Measurement
	This Standard defines fair value, sets out a framework for measuring fair value & requires additional disclosures about fair value measurements. There is no financial impact.
AASB 119	Employee Benefits
	This Standard supersedes AASB 119 (October 2010) making changes to the recognition, presentation and disclosure requirements. The Board Assessed employee leave patters to determine whether annual leave is a short-term or other long-term employee benefit. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.
AASB 1048	Interpretation of Standards
	This Standard supersedes AASB 1048 (June 2012), enabling references to the interpretations in all other Standards to be updated by reissuing the service Standard. There is no financial impact.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014**

Initial application of an Australian Accounting Standard (Continued)

AASB 2011-8	<p>Amendments to Australian Accounting Standards arising from AASB13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132] This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>
AASB 2011-10	<p>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)[AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]</p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.</p>
AASB 2012-2	<p>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]</p> <p>This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact.</p>
AASB 2012-5	<p>Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]</p> <p>This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact</p>
AASB 2012-6	<p>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8]</p> <p>This Standard amends the mandatory effective date of AASB 9 Financial Instruments to 1 January 2015 (instead of 1 January 2013). Further amendments are also made to consequential amendments arising from AASB 9 that will now apply from 1 January 2015. There is no financial impact.</p>



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014**

Initial application of an Australian Accounting Standard (Continued)

AASB 2012-9	<p>Amendments to AASB 1048 arising from the Withdrawal of Australian Int 1039</p> <p>The withdrawal of Int 1039 Substantive Enactment of Major Tax Bills in Australia has no financial impact for the Board during the reporting period and at balance date. Measurement of tax assets and liabilities continues to be measured in accordance with enacted or substantively enacted tax law pursuant to AASB 112.46-47.</p>
AASB 2012-10	<p>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049, & 2011-7 and Int 12]</p> <p>The Standard introduces a number of editorial alterations and amends the mandatory application date of Standards for not-for-profit entities accounting for interests in other entities. There is no financial impact.</p>
AASB 2013-9	<p>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.</p> <p>Part A of this omnibus Standard makes amendments to other Standards arising from revisions to the Australian Accounting Conceptual Framework for period ending on or after 20 December 2013. Other Parts of this Standard became operative in later periods. There is no financial impact for Part A of the Standard.</p>

Voluntary changes in Accounting Policy

There have been no significant voluntary changes in accounting policy.

Future impact of Australian Accounting Standards not yet operative

The Board cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other pronouncements. Consequently, the Board has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Board. Where applicable, the Board plans to apply these Australian Standards from their application date.

		Operative for reporting periods beginning on/after
Int 21	<p>Levies</p> <p>This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed should be recognised.</p> <p>There is no financial impact for the Board at reporting date</p>	1 Jan 2014



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

		Operative for reporting periods beginning on/after
AASB 9	<p>Financial Instruments</p> <p>This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard was amended to 1 January 2017. The Board has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2017
AASB 10	<p>Consolidated Financial Statements</p> <p>This Standard, issued in August 2011, supersedes AASB 127 Consolidated and Separate Financial Statements and Int 112 Consolidation – Special Purpose Entities, introducing a number of changes to accounting treatments.</p> <p>Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. The adoption of the new standard has no financial impact for the Board as it doesn't impact accounting for related bodies and the Board has no interests in other entities.</p>	1 Jan 2014
AASB 11	<p>Joint Arrangements</p> <p>This Standard, issued in August 2011, supersedes AASB 131 Interests in Joint Ventures, introduces new principles for determining the type of joint arrangement that exists, which are more aligned to the actual rights and obligations of the parties to the arrangement.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. There is no financial impact for the Board as the new standard will continue to require proportional consolidation of the Board's right to assets and liabilities for the unincorporated joint operation.</p>	1 Jan 2014
AASB 12	<p>Disclosure of Interests in Other Entities</p> <p>This Standard, issued in August 2011, supersedes disclosure requirements under AASB 127 Consolidated and Separate Financial Statements, AASB 128 Investments in Associates and AASB 131 Interests in Joint Ventures. Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. There is no financial impact</p>	1 Jan 2014



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014**

**Operative for reporting
periods beginning
on/after**

AASB 127	<p>Separate Financial Statements</p> <p>This Standard issued in August 2011, supersedes AASB 127 Consolidated and Separate Financial Statements, removing the consolidation requirements of the earlier standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10. There is no financial impact.</p>	1 Jan 2014
AASB 128	<p>Investments in Associates and Joint Ventures</p> <p>This Standard issued in August 2011, supersedes AASB 128 Investments in Associates, introducing a number of clarifications for the accounting treatments of changed ownership interest.</p> <p>Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10. The adoption of the new Standard has no financial impact for the Board as it doesn't hold investments in associates or and the accounting treatments for joint operations is consistent with current practice.</p>	1 Jan 2014
AASB 1031	<p>Materiality</p> <p>This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality that is not available in IFRS and refers to other Australian pronouncements that contain guidance on materiality. There is no financial impact.</p>	1 Jan 2014
AASB 1055	<p>Budgetary Reporting</p> <p>This Standard requires specific budgetary disclosures in the financial statements of not-for-profit entities within the General Government Sector. The Board will be required to disclose additional budgetary information and explanations of major variance between actual & budget amounts though there is no financial impact.</p>	1 Jul 2014
AASB 2009-11	<p>Amendments to Australian Accounting Standards arising from AASB 9 [AASB1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Int 10 & 12]</p> <p>[modified by AASB 2010-7]</p>	1 Jan 2015



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

		Operative for reporting periods beginning on/after
AASB 2010-7	<p>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Board has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015
AASB 2011-7	<p>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures.</p> <p>The Board has analysed the suite of Consolidation and Joint Arrangements Standards and determined that there is no financial impact arising from adoption of the various Standards.</p>	1 Jan 2014
AASB 2012-3	<p>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</p> <p>This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.</p> <p>The Board does not routinely hold financial assets and financial liabilities that it intends to settle on a net basis, therefore there is no financial impact.</p>	1 Jan 2014

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

		Operative for reporting periods beginning on/after
AASB 2013-3	<p>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</p> <p>This Standard introduces editorial and disclosure changes. There is no financial impact.</p>	1 Jan 2014
AASB 2013-4	<p>Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]</p> <p>The Standard permits the continuation of hedge accounting in circumstances where a derivative, which has been designed as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. The Board does not routinely enter into derivatives or hedges, therefore there is no financial impact.</p>	1 Jan 2014
AASB 2013-8	<p>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]</p> <p>The amendments, issued in October 2013, provide significant guidance to determine whether a not-for-profit entity controls another entity when financial returns aren't a key attribute of the investor's relationship. The Standard has no financial impact in its own right, rather the impact results from the adoption of the amended AASB 10.</p>	1 Jan 2014
AASB 2013-9	<p>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.</p> <p>This omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014 (Part B), and defers the application of AASB 9 to 1 January 2017 (Part c). The Board has not yet determined the application or the potential impact of AASB 9, otherwise there is no financial impact for Part B.</p>	1 Jan 2014 1 Jan 2017



CONSTRUCTION
INDUSTRY
LONG SERVICE
LEAVE SCHEME

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

	2014 \$000	2013 \$000
6. Net investment revenue		
Distributions from managed funds	18,509	13,263
	<u>18,509</u>	<u>13,263</u>

7. Interest revenue

Bank account and term deposit interest	682	1,108
	<u>682</u>	<u>1,108</u>

8. Accrued long service leave benefits liability

The Scheme's long service leave liability at 30 June 2014 has been calculated by the Actuary as \$329.9 million (as per AASB 119)

Opening balance	299,362	270,455
Increase in provision	30,503	28,907
Closing balance	<u>329,865</u>	<u>299,362</u>

The liability is allocated as follows:

Current		
Accrued long service leave benefits liability	188,816	173,217
Non-current		
Accrued long service leave benefits liability	141,049	126,145
Total	<u>329,865</u>	<u>299,362</u>

The two key assumptions applied by the Actuary in calculating the liability are:

- The rate of members' future pay increases is estimated at 5.0% (2013: 5.0%) per annum.
- The discount rate is 3.5% (2013: 3.8%) as quoted by the government bond rate for a 8.6 (2013: 7.8) year term.

9. Gains on disposal of investments

Costs of disposal of investments	-	306,422
	-	<u>306,422</u>
Proceeds from disposal of investments	-	344,970
Realised gains from current period sales	-	38,548
Total realised gains	-	<u>38,548</u>

10. Employee benefits expense

Wages and salaries ^(a)	1,398	1,230
Superannuation – defined contribution plans	187	188
Long service leave ^(b)	1	12
Annual Leave ^(b)	120	148
	<u>1,706</u>	<u>1,578</u>

- Includes the value of the fringe benefit to the employee plus the fringe benefits tax component.
- Includes a superannuation contribution component.

Employment on-costs such as workers' compensation insurance are included at note 15 'Other expenses'. The employment on-costs liability is included at note 23 'Provisions'.





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	2014 \$000	2013 \$000
11. Supplies and services		
Communications	191	212
Consultants and contractors	857	1,326
Consumables	134	120
Travel	36	30
Other	140	117
	<u>1,358</u>	<u>1,805</u>
12. Depreciation and amortisation expense		
Depreciation		
Plant, equipment and vehicles	36	28
Leased plant, equipment and vehicles	8	-
Total depreciation	<u>44</u>	<u>28</u>
Amortisation		
Intangible assets	2	3
Total amortisation	<u>2</u>	<u>3</u>
Total depreciation and amortisation	<u>46</u>	<u>31</u>
13. Finance costs		
Bank fees	63	60
	<u>63</u>	<u>60</u>
14. Accommodation expenses		
Lease rentals	288	242
Repairs and maintenance	3	3
Light and power	18	25
	<u>309</u>	<u>270</u>
15. Other expenses		
Board members' fees	97	82
Employment on-costs ^(a)	59	47
Annual leave provision	16	(4)
Long service leave provision	48	(13)
Doubtful debts expense	326	125
Insurances	43	47
Motor vehicle expenses	33	36
	<u>622</u>	<u>320</u>

(a) Includes workers' compensation insurance, payroll tax and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 23 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.





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	2014 \$000	2013 \$000
16. Receivables		
Employer debtors	751	557
Allowance for impairment of employer debtors	(328)	(147)
	<u>423</u>	<u>410</u>
Other debtors	31	131
	<u>454</u>	<u>541</u>
Reconciliation of changes in the allowance for impairment of employer debtors:		
Balance at start of period	147	211
Doubtful debts expense	326	125
Amounts written off during the period	(147)	(210)
Amounts recovered during the period	2	21
Balance at end of period	<u>328</u>	<u>147</u>

\$147,212 of bad debts, where an allowance for impairment was previously raised, were written off during the year directly against employer debtors (2013: \$209,572).

17. Available-for-sale financial assets

At valuation:

- Colonial First State Cash	30,773	25,732
- Colonial First Rate Saver	29,550	24,672
- Aberdeen Australian Fixed Income	33,782	27,296
- PIMCO EQT Global Bond	33,851	26,337
- UBS Diversified Fixed Income Fund	34,929	27,913
- AMP Capital Global Property Securities (Hedged)	21,195	15,619
- Schroder Wholesale Australian Equity	37,732	30,498
- Colonial FS Equity Income Fund	37,695	31,109
- Vanguard Australian Shares Index fund	38,137	30,681
- Magellan Global Fund (Unhedged)	11,668	10,742
- MFS Global Equity (Unhedged)	21,806	18,498
- Schroder Global Active Value (Unhedged)	21,778	18,510
- Vanguard International Share Index Fund (Unhedged)	22,068	18,605
- Celeste Australian Small Companies	12,185	9,376
- RARE Infrastructure Value Fund (Hedged)	20,951	16,243
	<u>408,100</u>	<u>331,831</u>

18. Other assets

Current		
Accrued contributions	14,023	16,000
Prepayments	65	58
Accrued distributions and Interest	10,197	3,712
	<u>24,285</u>	<u>19,770</u>





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	2014 \$000	2013 \$000
19. Plant and equipment		
Furniture and fittings		
At cost	44	42
Accumulated depreciation	(22)	(19)
	<u>22</u>	<u>23</u>
Leasehold improvements		
At cost	116	71
Accumulated depreciation	(78)	(71)
	<u>38</u>	<u>-</u>
Office equipment		
At cost	155	128
Accumulated depreciation	(94)	(60)
	<u>61</u>	<u>68</u>
Motor vehicles		
At cost	-	24
Accumulated depreciation	-	(24)
	<u>-</u>	<u>-</u>
	<u>121</u>	<u>91</u>

Reconciliations of the carrying amounts of plant, equipment and vehicles at the beginning and end of the reporting period are set out below.

	Furniture and fittings \$000	Leasehold improvements \$000	Office equipment \$000	Motor vehicles \$000	Total \$000
2014					
Carrying amount at start of year	23	-	68	-	91
Additions	2	45	27	-	74
Disposals	-	-	-	-	-
Depreciation	(3)	(7)	(34)	-	(44)
Carrying amount at end of year	<u>22</u>	<u>38</u>	<u>61</u>	<u>-</u>	<u>121</u>
	Furniture and fittings \$000	Leasehold improvements \$000	Office equipment \$000	Motor vehicles \$000	Total \$000
2013					
Carrying amount at start of year	25	-	28	14	67
Additions	-	-	64	-	64
Disposals	-	-	-	(12)	(12)
Depreciation	(2)	-	(24)	(2)	(28)
Carrying amount at end of year	<u>23</u>	<u>-</u>	<u>68</u>	<u>-</u>	<u>91</u>





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	2014 \$000	2013 \$000
20. Intangibles assets		
Licenses		
At cost	22	15
Accumulated amortisation	(16)	(14)
	<u>6</u>	<u>1</u>
Reconciliation		
Licenses		
Carrying amount at start of year	1	4
Additions	7	-
Amortisation expense	(2)	(3)
Carrying amount at end of year	<u>6</u>	<u>1</u>

21. Impairment of assets

There were no indications of impairment to plant and equipment and intangible assets at 30 June 2014.

The Board held no goodwill or intangible assets with an indefinite useful life during the reporting period and at reporting date there were no intangible assets not yet available for use.

There were no surplus assets held at 30 June 2014.

22. Payables

Trade payables	640	613
Accrued salaries	64	37
Accrued expenses	105	107
	<u>809</u>	<u>757</u>

23. Provisions

Current		
Employee benefits provision		
Annual leave ^(a)	137	121
Long service leave ^(b)	154	126
	<u>291</u>	<u>247</u>
Other provisions		
Employment on-costs ^(c)	59	40
	<u>350</u>	<u>287</u>
Non-current		
Employee benefits provision		
Long service leave ^(b)	80	66
	<u>80</u>	<u>66</u>
Other provisions		
Employment on-costs ^(c)	14	21
	<u>94</u>	<u>87</u>





**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014**

23. Provisions (Continued)

	2014 \$000	2013 \$000
--	---------------	---------------

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of reporting date	84	74
More than 12 months after reporting date	53	47
	137	121

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting date. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of reporting date	56	54
More than 12 months after reporting date	177	138
	233	192

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation premiums and payroll tax. The provision is measured at the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included at note 15 'Other expenses'.

Movement in Other Provisions

Movement in the Employment on-costs provision during the financial year is set out below.

Carrying amount at start of the year	61	64
Additional provision recognised/(utilized)	12	(3)
Carrying amount at end of year	73	61

24. Equity

Retained earnings

Balance at start of period	62,270	(2,764)
Result for the period	26,562	65,034
Balance at end of period	88,832	62,270

Fair Value Reserve

Balance at start of period	-	-
Movement for the period	29,246	-
Balance at end of period	29,246	-



NOTES TO THE FINANCIAL STATEMENTS
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2014 2013
\$000 \$000

25. Notes to the Statement of Cash Flows

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents	16,230	10,529
	<u>16,230</u>	<u>10,529</u>

Reconciliation of profit to net cash flows provided by operating activities

Profit for the period	26,562	65,034
-----------------------	--------	--------

Non-cash items:

Depreciation and amortisation expense	46	31
Investment income reinvested	(18,510)	(27,684)
Doubtful debts expense	326	125
Net loss on sale of investments	-	(24,359)
Impairment loss on investments	-	2,972

(Increase)/decrease in assets:

Current receivables	(239)	(229)
Other current assets	1,979	(152)

Increase/(decrease) in liabilities:

Current payables	196	140
Current provisions	110	(73)
Other current liabilities	(144)	(199)
Non-current provisions	(40)	77
Accrued LSL benefits liability	30,502	28,907
GST payable	(7)	-
Net cash provided by operating activities	<u>40,781</u>	<u>44,590</u>

26. Commitments

Non-cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

Within 1 year	313	302
Later than 1 year and not later than 5 years	320	580
	<u>633</u>	<u>882</u>



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26. Commitments (continued)

The property lease is a non-cancellable lease with a five-year term and a further five-year option to extend, with rent payable monthly in advance. Contingent rent provisions within the lease agreement requires that the rent is reviewed on the first, second and fourth anniversaries to CPI. The lease agreement provides for the rent to be reviewed to market rent on the third and fifth anniversaries. There is an option to extend the lease for a further five years from the 25 June 2016.

The commitments below are inclusive of GST

	2014	2013
	\$000	\$000

Capital expenditure commitments

Capital expenditure commitments, being capital expenditure additional to the amounts reported in the financial statements are payable as follows:

Within 1 year	-	45
	-	45

Other expenditure commitments contracted for at the reporting date but not recognised as liabilities, are payable as follows:

Advertising

Within 1 year	1	3
	1	3

27. Contingent liabilities and contingent assets

There were no significant contingent liabilities or contingent assets existing at reporting date.

28. Events occurring after the end of the reporting date

There were no significant events occurring after the balance sheet date that require disclosure.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

29. Explanatory statement

This statement provides details of any significant variations between estimates and actual results for 2014 and between the actual results for 2013 and 2014. Significant variations are considered to be those greater than 10% or \$100,000.

Significant variances between estimate and actual results for the financial year

	2014 Estimate \$000	2014 Actual \$000	Variance \$000
INCOME			
Contribution from employers	62,141	71,036	8,895
Actual employer contribution levy rate higher than estimated.			
Investment Income	17,240	48,437	31,197
The investment return was 11.63% pa compared to the forecast of 4.63% pa. Please refer to page 9 for details of the individual components of Investment Income.			
EXPENSES			
Increase in long service leave liability	21,094	30,502	9,408
The increase in long service leave liability is in line with actuarial review undertaken in June 2014.			
Decrease in employee benefit expense	1,920	1,706	(214)
There was one FTE not filled for the financial year; delays in the General Agreement 6 (GA6) wages agreement and fewer contract workers employed during the year.			
Decrease in supplies and services	3,386	1,358	(2,028)
Restructure of investment portfolio in May 2013 resulting in restructure of the treatment of Fund Managers' fees and lower print and stationery costs incurred for the year.			
Increase in long service leave payments	28,172	29,101	929
Long service leave payments were higher than estimate as a result of an above forecast increase in the number of leave and termination payments to employees.			



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29. Explanatory statement (continued)

Significant variances between actual and prior year actual – Income and Expenses

	2014 \$000	2013 \$000	Variance \$000
INCOME			
Contribution from employers	71,036	72,611	(1,575)
Variance reflects the reduced contribution levy rate from 2.00% pa to 1.90% pa for 6 months ending 30 June 2014 plus the underlying industry activity for the year.			
Investment Income	48,437	50,179	(1,742)
Investment return for 2013 was 17.10% pa as compared to a 2014 return of 11.63% pa.			
EXPENSES			
Long service leave payments	29,101	24,786	4,315
Long service leave payments were higher in 2014 as a result of an increase in the number of payments paid to employees. The average value of employee's benefits increased slightly in 2014 to \$8,221 as compared to \$7,964 in 2013.			
Accommodation	309	270	39
Reversal of an over accrual of rent from the 2012 financial year in 2013 thereby reducing the 2013 accommodation expense by \$25,000.			
Employee benefit expense	1,706	1,578	128
There were a number of positions in 2013 which were not filled for the full financial year. In 2014 FTE increased from 16.4 to 17.4.			
Long service leave liability	30,502	28,907	1,595
The increase in long service leave liability is in line with the actuarial review undertaken in June 2014.			
Other expenses	622	320	302
Variance in Other Expenses was principally caused by the increase in provision for doubtful debts from \$125,000 to \$326,000.			



NOTES TO THE FINANCIAL STATEMENTS
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30. Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Board are cash and cash equivalents, term deposits, available-for-sale financial assets, receivables and payables. The Board has limited exposure to financial risks. The Board's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Board's receivables defaulting on their contractual obligations resulting in financial loss to the Board. The Board measures credit risk on a fair value basis and monitors risk on a regular basis.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown in the table at Note 30(c) Financial instruments disclosures' and note 16 'Receivables'.

The Board trades only with recognised, creditworthy third parties and invests with counterparties that have a high credit rating. Receivable balances are monitored on an ongoing basis with the result that the Board's exposure to bad debts is minimal. At the end of the reporting period there are no significant concentrations of credit risk.

Board procedure is to contact debtors with debts outstanding at 30 days. If payment is not received within the following 7 days the debt is passed to a commercial collection agency for collection.

Provision for impairment of financial assets is calculated based on past experience, and current and expected changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 16 'Receivables'.

Liquidity risk

The Board is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the Board is unable to meet its financial obligations as they fall due.

The Board's objective is to maintain a positive cash flow. The Board has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Board's income or the value of its holdings of financial instruments.

The Board does not trade in foreign currency. Other than as detailed in the interest rate sensitivity analysis table at Note 30(c), the Board has limited exposure to interest rate risk because it is not permitted to have borrowings.

Equity price risk arises from available-for-sale equity securities held for meeting the Board's long service leave obligations. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the fund manager.

The primary goal of the Board's investment strategy is to maximize investment returns in order to meet the Board's long service leave obligations.

(b) Categories of Financial Instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:

	2014	2013
	\$000	\$000
Financial Assets		
Cash and cash equivalents	16,230	10,529
Receivables	454	541
Other assets (Prepayments)	65	58
Available-for-sale financial assets	408,100	331,831
Financial Liabilities		
Payables	809	757



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NOTES TO THE FINANCIAL STATEMENTS
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30. Financial Instruments (continued)

(c) Financial Instrument disclosures

Credit risk

The following table discloses the Board's maximum exposure to credit risk and the ageing analysis of financial assets. The Board's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Board.

The Board does not hold any collateral as security or other credit enhancement relation to the financial assets it holds.

Ageing analysis of financial assets

	Carrying Amount	Not past due and not impaired	Past due but not impaired					Impaired financial assets
			Up to 1 Months	1-3 Months	3 months-1 Year	1-5 Years	More than 5 Years	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2014								
Financial assets								
Cash and cash equivalents	16,230	16,230	-	-	-	-	-	-
Receivables	454	-	116	196	142	-	-	-
Available-for-sale financial assets	408,100	408,100	-	-	-	-	-	-
	424,784	424,330	116	196	142	-	-	-
2013								
Financial assets								
Cash and cash equivalents	10,529	10,529	-	-	-	-	-	-
Receivables	541	-	262	180	99	-	-	-
Available-for-sale financial assets	331,831	331,831	-	-	-	-	-	-
	342,901	342,360	262	180	99	-	-	-



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

30. Financial Instruments (continued)

(c) Financial Instrument disclosures

Liquidity risk and interest rate exposure

The following table details the Board's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. Maturity analysis section includes interest and principal cash flows. The interest rate exposure section only the carrying amount of each item.

Interest rate exposures and maturity analysis of financial assets and financial liabilities

	Weighted Average Effective Interest Rate %	Carrying amount \$000	Interest rate exposure				Maturity dates				
			Fixed Interest Rates \$000	Variable Interest Rate \$000	Non- Interest Bearing \$000	Total Nominal Amount \$000	Up to 1 Months \$000	1-3 Months \$000	3 Months to 1 Year \$000	1-5 Years \$000	More than 5 Years \$000
2014											
Financial Assets											
Cash and cash equivalents	2.56	16,230	-	16,230	-	16,230	-	-	-	-	-
Receivables		454	-	-	454	454	116	196	142	-	-
Available-for-sale financial assets		408,100									
		424,784	-	16,230	454	16,684	116	196	142	-	-
Financial liabilities											
Payables		809	-	-	809	809	-	-	-	-	-
		809	-	-	809	809	-	-	-	-	-
2013											
Financial Assets											
Cash and cash equivalents	2.75	10,529	-	10,529	-	10,529	-	-	-	-	-
Receivables		541	-	-	541	541	262	180	99	-	-
Available-for-sale financial assets		331,831	-	-	331,831	331,831					
		342,901	-	10,529	332,372	342,901	262	180	99	-	-
Financial liabilities											
Payables		757	-	-	757	757	-	-	-	-	-
		757	-	-	757	757	-	-	-	-	-



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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

30. Financial Instruments (continued)

(c) Financial Instrument disclosures

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Board's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 100 basis points in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying amount \$000	-100 basis points		+100 basis points	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
2014					
<u>Financial Assets</u>					
Cash and cash equivalents	16,230	(162)	(162)	162	162
Total Increase/(Decrease)		(162)	(162)	162	162
		-100 basis points		+100 basis points	
	Carrying amount \$000	Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
2013					
<u>Financial Assets</u>					
Cash and cash equivalents	10,529	(105)	(105)	105	105
Total Increase/(Decrease)		(105)	(105)	105	105

Fair Values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes. The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values.

Investments in equity securities

The fair value of available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

31. Fair Value Measurement

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quotes prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Assets measured at fair value		Level 1	Level 2	Level 3	Fair value at end of period
		\$000	\$000	\$000	\$000
2014					
Available-for-sale-financial-assets	(Note 17)	408,100	-	-	408,100
		408,100	-	-	408,100

There were no transfers between levels 1, 2, 3 during the period





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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

32. Remuneration of members of the Accountable Board and Senior Officers

Remuneration of Members of the Accountable Board

The number of members of the Accountable Board, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

\$	2014	2013
0 - 5,000	1	2
15,001 - 25,000	5	4
25,001 - 35,000	1	1
	\$000	\$000
Base remuneration and superannuation received in relation to 2014	107	89
The total remuneration of members of the Accountable Board is:	<u>107</u>	<u>89</u>

The total remuneration includes the superannuation expense incurred by the Board in respect of the members of the Accountable Board.

No members of the Accountable Board are members of the Pension Scheme.

Remuneration of Senior Officers

The number of senior officers, other than senior officers reported as members of the Accountable Board, whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

\$	2014	2013
150,001 - 160,000	-	1
160,001 - 170,000	1	-
240,001 - 250,000	-	1
250,001 - 260,000	1	-
	\$000	\$000
Base remuneration and superannuation received in relation to 2014	376	337
Annual leave and long service leave accruals	18	32
Other benefits	27	29
The total remuneration of senior officers is:	<u>421</u>	<u>398</u>

The total remuneration includes the superannuation expense incurred by the Board in respect of senior officers other than senior officers reported as members of the Accountable Board.

No senior officers are members of the Pension Scheme.

33. Remuneration of auditor

Remuneration payable to the Auditor General for the financial year is as follows:
Auditing the accounts, financial statements and performance indicators

2014	2013
\$000	\$000
<u>29</u>	<u>27</u>

34. Supplementary financial information

Write-offs

Bad debts written off by the Board members during the financial year

<u>147</u>	<u>210</u>
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CERTIFICATION OF KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDING 30 JUNE 2014

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Construction Industry Long Service Leave Payments Board's performance and fairly represent the performance of the Construction Industry Long Service Leave Payments Board for the financial year ended 30 June 2014.

Signed this 22nd day of August 2014

Ms L. Gibbs
Chair

Mr R. Sputore
Member of the Board



**KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDING 30 JUNE 2014**

DESIRED OUTCOME

A financially sustainable portable Long Service Leave Scheme for eligible Western Australian construction industry employees.

The Board has developed six Key Effectiveness Indicators (KEI) which when interpreted together provide evidence of the level of achievement of the Desired Outcome.

KEI (i) is the number of employers registered with the Board. If considered in isolation the slight reduction in number of employers since 2011 could be considered a negative outcome. However, this reduction may be counter cyclical to the level of activity in the construction industry i.e. with the recent history of strong activity employees have been enjoying a high level of industry participation coupled with wage growth which has been above the long term average therefore reducing the necessity of employees to become employers.

As shown with the KEI (ii) (employees for whom contributions have been made) and the (number of registered employees) there is not a correlation between number of employees and employers. Over recent years the number of employees has steadily increased in line with industry activity. The Board has generally had a stronger rate of growth than that recorded by the Australian Bureau of Statistics indicating the Board has been successful with its coverage of eligible employees. The sound coverage in turn drives increased contribution levy receipts to produce a Balance Sheet within the Board's approved Accounting Ratio range of 110% - 130% (assets / liabilities). As detailed, the Accounting Ratio range includes a suitable buffer to ensure the financial sustainability of the Scheme.

Achievement of the Accounting Ratio range (as recorded as at balance date) enables the Board to critically assess the contribution levy payable by employers. This assessment is undertaken in conjunction with the Actuary's forecast of the future long service leave liability obligations to employees. As evidenced in KEI (iii), the contribution levy percentage was reduced to 2.00% from 1 January 2012 and to 1.90% from 1 January 2014. Furthermore the Board is optimistic of a further reduction from 1 January 2015. These reductions are a strong indicator of the overall financial sustainability of the Board i.e. the forecast investment earnings, coupled with the reduced contribution levy income, is considered sufficient to maintain the Balance Sheet within the Board approved Accounting Ratio range.

Over the past 5 consecutive years, as per KEI (iv), the Board has generated a positive investment return and in particular with 2013 and 2014 being well in excess of the long term average of 7.4% per annum. Whilst the Board does anticipate, on average, a negative return approximately once in every 5 years, this recent past strong performance has been a significant influence on the Board's financial sustainability.

Finally, the Board's financial sustainability is further evidenced with the ability to continue to grow the investment portfolio and utilise surplus cashflow from the contribution levy to meet the increasing number and value of long service leave payments to employees.

In regards to the Key Efficiency Indicators (KEI) the Administrative Cost of the Scheme KEI (i) is significantly less than Other State Schemes (average) and this is partly a result of the significant increase over recent years of Registered Employees, without a comparable administrative expense (including staffing) increase.

KEY EFFECTIVENESS INDICATORS

(i) CONSTRUCTION INDUSTRY EMPLOYERS WHO HAVE REGISTERED WITH THE BOARD.

YEAR BY YEAR COMPARISONS

FINANCIAL YEAR	2014 Target	2014 Actual	2013 Actual	2012 Actual	2011 Actual
Registered Employers – Average for the year (Number)	4,892	4,917	4,892	4,912	4,991
Change in average number of Registered Employers		0.5%	(0.4%)	(1.6%)	(2.6%)
Growth in Firms in the Industry (IBISWORLD Pty Ltd)		*	(1.7%)	(0.7%)	0.7%

* 2013/2014 statistics were not available at the time of preparation of this Report.



CONSTRUCTION
INDUSTRY
LONG SERVICE
LEAVE SCHEME

**KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDING 30 JUNE 2014**

(ii) ELIGIBLE AND REGISTERED CONSTRUCTION INDUSTRY EMPLOYEES FOR WHOM CONTRIBUTIONS HAVE BEEN MADE.

YEAR BY YEAR COMPARISONS

FINANCIAL YEAR	2014 Target	2014 Actual	2013 Actual	2012 Actual	2011 Actual
Employees contributed for - Average for the year. (number)	83,655	74,384	76,748	69,619	62,047
Change in average number of Employees contributed for. (%)		(3.1%)	10.2%	12.2%	10.0%
Change in number of Employees in the industry. (%) *		(1.2%)	5.1%	(2.7%)	0.2%

* Based on construction industry employment statistics published by the Australian Bureau of Statistics. (ABS 6291.0.55.003 WA Quarter Feb 2014 Technical and Trades Workers plus Machinery Operators and Drivers).

(iii) CONSTRUCTION INDUSTRY EMPLOYERS LONG SERVICE LEAVE CONTRIBUTION RATE.

YEAR BY YEAR COMPARISONS

FINANCIAL YEAR	2014 Target	2014 Actual	2013 Actual	2012 Actual	2011 Actual
Contribution Rate. (%)	1.41%	1.95%*	2.00%	2.13%#	2.25%

* The contribution rate was decreased from 2.00% to 1.90% with effect from 1 January 2014.

The contribution rate was decreased from 2.25% to 2.00% with effect from 1 January 2012.

(iv) ANNUAL RETURN DERIVED FROM THE BOARD'S INVESTMENTS.

YEAR BY YEAR COMPARISONS

FINANCIAL YEAR	2014 Target	2014 Actual	2013 Actual	2012 Actual	2011 Actual
Board's Investment Return (%)	4.63%	11.6%	17.1%	0.2%	8.0%
Investment Return - (Average) Pooled Growth Funds (%)	n/a	13.9%	17.6%	(0.1%)	8.4%

(v) CONSTRUCTION INDUSTRY EMPLOYEES WHO HAVE RECEIVED A LONG SERVICE LEAVE PAYMENT.

YEAR BY YEAR COMPARISONS

FINANCIAL YEAR	2014 Target	2014 Actual	2013 Actual	2012 Actual	2011 Actual
Employees Registered in the Scheme. (number)	131,082	131,517	120,259	95,585	74,845
Number of Employees paid a benefit. (number)	2,999	3,540	3,112	2,556	2,273



CONSTRUCTION
INDUSTRY
LONG SERVICE
LEAVE SCHEME

**KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDING 30 JUNE 2014**

(vi) **QUALIFYING SERVICE PROFILE OF CONSTRUCTION INDUSTRY EMPLOYEES FOR WHOM CONTRIBUTIONS HAVE BEEN MADE.**

YEAR BY YEAR COMPARISONS

FINANCIAL YEAR	2014 Target	2014 Actual	2013 Actual	2012 Actual	2011 Actual
Employees Registered in the Scheme. (number)	131,082	131,517	120,259	95,585	74,845
Employees with <i>less</i> than the required minimum of 7 years of qualifying service to obtain a benefit. (number)	117,463	118,876	108,553	84,832	64,748
Employees qualified for a pro rata long service leave benefit - 7 to 10 years of service. (number)	7,119	6,439	5,626	5,906	5,844
Employees qualified for a long service leave benefit - more than 10 years of service. (number)	6,500	6,202	6,080	4,847	4,253

SERVICE

Management of the Construction Industry Long Service Leave Scheme.

KEY EFFICIENCY INDICATORS

(i) **AVERAGE ADMINISTRATIVE COST PER REGISTERED CONSTRUCTION INDUSTRY EMPLOYEE.**

YEAR BY YEAR COMPARISONS

FINANCIAL YEAR	2014	2013	2012	2011
W.A. Scheme Cost per Employee (\$)	\$30.68	\$27.44	\$35.55	\$42.49
Other State Schemes (average) (\$)	*	\$45.94	\$56.78	\$47.44

* 2013/2014 figures not available at the time of preparation of the Report.

(ii) **FULL TIME EQUIVALENT STAFF EMPLOYED PER THOUSAND OF REGISTERED WESTERN AUSTRALIAN CONSTRUCTION INDUSTRY EMPLOYEES.**

YEAR BY YEAR COMPARISONS

FINANCIAL YEAR	2014	2013	2012	2011
Staff per thousand employees. (number)	0.13	0.14	0.17	0.20
Other State Schemes (average) (number)	*	0.34	0.36	0.38

* 2013/2014 figures not available at the time of preparation of the Report.





**MINISTERIAL DIRECTIVES
OTHER FINANCIAL DISCLOSURES
GOVERNANCE DISCLOSURES
FOR THE YEAR ENDING 30 JUNE 2014**

MINISTERIAL DIRECTIVES

No Ministerial directives were received during the financial year.

OTHER FINANCIAL DISCLOSURES

Capital Works

No capital works were completed during 2013-2014.

Employment and Industrial Relations

Staff Profile	2014	2013
Full time permanent	16.0	15.0
Part time measured on a FTE basis	1.4	1.4
Total	17.4	16.4

Staff Development

The Board encourages its employees to maintain and improve their skills and to that end funds appropriate training courses and the membership of professional bodies.

Workers Compensation

No compensation claims have been made in this or the previous financial year.

GOVERNANCE DISCLOSURES

Contracts with Senior Officers

Other than normal contracts of employment, no Senior Officers or firms of which Senior Officers are members or entities in which Senior Officers have substantial interests had any interests in existing or proposed contracts with the Board.

Insurance premiums paid to indemnify members of the Board

An insurance policy has been taken out to indemnify members of the Board against any liability incurred under sections 13 or 14 of the Statutory Corporations (Liability of Directors) Act 1996. The amount of the insurance paid for 2013/2014 was \$15,726.

**OTHER LEGAL DISCLOSURES
FOR THE YEAR ENDED 30 JUNE 2014**

OTHER LEGAL DISCLOSURES

Compliance with Public Sector Standards & Ethical Codes

(Public Sector Management Act 1994, Section 31 (1))

The Board complies with the provisions of the Public Sector Management Act and has no compliance issues or breaches to report.

Advertising

(Electoral Act 1907, Section 175ZE)

The Board has not incurred any expenditure required to be reported under this section.

Recordkeeping Plan

(State Records Act 2000, Section 61)

The Board is committed to ongoing compliance with the State Records Act 2000 and to sound recordkeeping practices. The Board's Recordkeeping Plan was reviewed in April 2013 and the next review is due in 2018. This is undertaken by an external consultant. New employees receive ongoing training and education on recordkeeping.

Occupational Safety and Health

(Occupational Safety & Health Act 1984)

The Board has developed an Occupational Safety and Health Manual which contains policies and procedures for all workplace related health and safety matters. OSH is a standing agenda item on formal Managers' meetings and this provides a mechanism for consultation regarding OSH matters. The Board places the highest priority on the well-being and safety of its staff at all times and confirms compliance with injury management requirements of the Workers' Compensation and Injury Management Act 1981 (including a formal Return To Work plan).

The reportable statistics for the year are:

Indicator	Target for 2013/2014	Actual for 2013/2014
Number of fatalities	Zero	Zero
Lost time injury	Zero	Zero
Lost time injury severity rate	Zero	Zero

Disability Access and Inclusion

(Disability Services Act 1993, Section 2)

The Board's information, services available to the public, access to the office and opportunity to make complaints and participate in public consultation are all fully available to people with disabilities.

Corruption Prevention

The Board's policies and procedures relating to the financial management processes it follows, the management of its computer information systems data, its risk management plan, the extensive use of independent external advisors and auditors together with regular Board oversight of operations fosters a strong corporate culture of accountability across the organisation which minimises the risk of misconduct and corrupt behaviour.

**OTHER LEGAL DISCLOSURES
FOR THE YEAR ENDED 30 JUNE 2014**

OTHER LEGAL DISCLOSURES (continued)

Substantive Equality

The Board is an Equal Opportunity Employer and encourages Indigenous Australians, young people, people from culturally diverse backgrounds and women to apply for advertised positions. The Board has an Equal Employment Opportunity Management Plan. The Board is committed to providing its services free from any form of discrimination.

Public Interest Disclosure

(Public Interest Disclosure Act 2003)

Information on the requirements of the Public Interest Disclosure Act 2003 are included in the Induction Checklist for staff. All staff have intranet access to detailed internal procedures and guidelines on lodging disclosures, investigation, reporting and protecting informants.

Freedom of Information

(Freedom of Information Act 1992)

Nil applications were received for 2013/14

Information Enquiries

Requests for access to documents should be made, in the first instance, to the Board's public counter at Level 1, 26 Colin Street West Perth. Often material may be made available without the need to formalize a request under Freedom of Information. A formal FOI application is required to access documents that are not available as part of the normal course of business.

Receipt of FOI Applications

FOI applications, payments, correspondence and general enquiries should be directed to:

Chief Executive Officer
MyLeave
PO Box 1333
West Perth WA 6872
Telephone: (08) 9476 5400
Facsimile: (08) 9321 5404

ANNUAL ESTIMATES

The Minister has approved the following Estimates for the 2014/2015 financial year:

Income	\$000
Contribution from employers	70,615
Net investment revenue	20,984
Total income	91,599
Expenses	\$000
Long service leave payments	30,405
Employee benefits expense	1,922
Supplies and services	1,590
Depreciation and amortisation	38
Finance costs	70
Accommodation expenses	338
Increase in long service leave liability	10,295
Other expenses	702
Total expenses	45,360



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

CONSTRUCTION INDUSTRY LONG SERVICE LEAVE PAYMENTS BOARD

Report on the Financial Statements

I have audited the accounts and financial statements of the Construction Industry Long Service Leave Payments Board.

The financial statements comprise the Statement of Financial Position as at 30 June 2014, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Construction Industry Long Service Leave Payments Board at 30 June 2014 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Construction Industry Long Service Leave Payments Board during the year ended 30 June 2014.

Controls exercised by the Construction Industry Long Service Leave Payments Board are those policies and procedures established by the Board to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Board's Responsibility for Controls

The Board is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Construction Industry Long Service Leave Payments Board based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Board complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the controls exercised by the Construction Industry Long Service Leave Payments Board are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2014.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Construction Industry Long Service Leave Payments Board for the year ended 30 June 2014.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Board's Responsibility for the Key Performance Indicators

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Board determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Board's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the key performance indicators of the Construction Industry Long Service Leave Payments Board are relevant and appropriate to assist users to assess the Board's performance and fairly represent indicated performance for the year ended 30 June 2014.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Construction Industry Long Service Leave Payments Board for the year ended 30 June 2014 included on the Board's website. The Board's management is responsible for the integrity of the Board's website. This audit does not provide assurance on the integrity of the Board's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
28 August 2014



*Their Time
to enjoy*

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