



MyLeave
Construction
Long Service WA

**"Excellence in the
delivery of long service
leave entitlements to
construction industry
employees"**

Annual Report 2024-25





Construction Industry Long Service Leave Payments Board

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Statement of Compliance

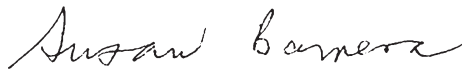
For year ended 30 June 2025

Hon Simone McGurk MLA
Minister for Industrial Relations

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 reporting period ended 30 June 2025.

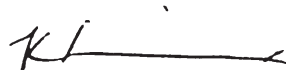
The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

The financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board.



Susan Barrera
Chair
MyLeave

22 August 2025



Kate Schick
Member of the Board
MyLeave

22 August 2025

Chair's Foreword



On behalf of the Board of MyLeave, I am pleased to present the 2024-25 annual report. The report highlights our continued commitment to supporting the long service leave entitlements of the Western Australian construction industry workforce.

The WA construction industry has experienced modest growth during the financial year, but with critical labour shortages in some sectors of the industry. Unemployment remains low with significant wage and labour pressure.

The number of workers contributed for increased to almost 85,000 each quarter, an increase of 6% over the previous year. During the same period, the number of registered employers increased to 5,700, an increase of 3.4%.

MyLeave processed nearly 5,000 payments to construction workers, amounting to nearly \$47 million in long service leave benefits. These payments provide an incentive for workers to remain in the industry and employers benefit from lower worker turnover.

Long service leave payments are funded by a combination of employer contributions and return on the MyLeave investment portfolio. Our investment returns amounted to 11%, a pleasing result, generating nearly \$70 million revenue.

The contribution levy was increased to 0.75% in January, an increase which kept the WA levy modest by national standards. The need for the increase was confirmed by our independent actuaries.

MyLeave continues our strong commitment to engaging with stakeholders. This occurs through our online presence, attendance at expos and engagement with industry associations and Registered Training Organisations. This engagement provides opportunities to provide information on the benefits and operation of the scheme.

To complement the engagement strategy, MyLeave ensures that the stakeholders comply with the legislative requirements through a program of inspections and site visits. MyLeave ensures that trust and confidence in the scheme is maintained through transparent and impartial administration of compliance requirements.

The review of our legislation, carried out by independent consultants, culminated in the *Construction Industry Portable Long Service Leave Amendment Bill 2025* introduced into the WA Parliament in June 2025. These amendments address a number of priority issues which have been under consideration for some time. The review identified other areas of possible reform, released by the Minister.

The Board is encouraged by the progress which has been made to implement the new Customer Relationship Management system. When fully operational, the CRM should provide a modern platform for employers and employees to engage more efficiently with MyLeave. It should also promote greater efficiency, flexibility and better data for management reporting.

The move to the new office was a challenge for management and staff but demonstrated the capacity of the organisation for planning and adaption.

The Board was pleased to welcome our new Board member, Paula West, representing employers. Paula has a wealth of experience in the construction industry. We also farewellled John Gelavis, previously the Executive Director of the Master Builders Association of WA, and Steve Catania, whose short Board tenure ended when he was elected to State Parliament.

I would personally like to thank all Board members for their thoughtful contributions to Board deliberations. We have tackled some thorny issues. My sincere thanks also to the CEO, Jason Buckley, and his team, for the consistent excellent quality of the research and advice provided to the Board.

Susan Barrera
Chair | MyLeave Board

Chief Executive's Report



Over the past three years, the construction industry has experienced robust growth, with MyLeave registering a 31% increase in worker numbers. This brings the total number of registered workers to 145,000, reflecting sustained high levels of construction activity across Western Australia. This expansion has resulted in a record 14.4 million days of service being reported, surpassing the previous peak of 13.7 million days recorded in 2012-13.

Wages for construction workers have continued to rise over the past 12 months. Combined with the increase in worker numbers, this has led to a \$43 million rise in total long service leave liabilities. This figure includes provisions for potential costs associated with the Board's revised statutory interpretation of ordinary pay.

Despite the increase in liabilities, MyLeave remains in a strong financial position. Net assets stand at \$146 million, with a surplus funding ratio of 127% within the target range of 110% to 130%. Total assets are valued at \$686 million, against liabilities of \$540 million.

The number of payments to workers remained consistent with the previous year, totalling 4,888 payments and amounting to \$47 million. Since its inception in 1987, MyLeave has made approximately 81,000 payments, distributing nearly \$643 million in long service leave benefits to Western Australian construction workers.

The investment portfolio delivered a strong annual return of \$69 million, representing a 10.8% gain. This continues a trend of solid performance over the past three years, contributing significantly to MyLeave's financial sustainability.

In response to increasing liabilities and future projections, the contribution levy was raised from 0.5% to 0.75% on 1 January 2025. Despite this adjustment, the levy remains below the long-term cost of funding worker entitlements, which is estimated at 1.1% of wages. This lower levy has provided the industry with direct contribution savings of \$23 million this year and approximately \$140 million since March 2021.

Development of a new customer relationship management system was completed during the year. User acceptance testing has been finalised, and final preparations for data migration and validation are underway. The system is expected to go live shortly. Staff have demonstrated exceptional dedication in delivering this major project while continuing to perform their regular duties. Their efforts are highly commendable.

The independent review of the Act was finalised following further consultation on key findings and recommendations. As a result, a priority amendment Bill was introduced to Parliament in June 2025. Key provisions of the Bill include:

- Extending coverage to construction work whilst on ships/vessels
- Allowing early access to entitlements in cases of permanent incapacity, terminal illness, or death
- Recognising days of service while workers are stood down or receiving workers' compensation
- Improving the operational efficiency of the Board

I would like to express my sincere appreciation to the MyLeave team for their continued dedication to delivering high quality service and upholding the organisation's mission during a period of significant change.

I also extend my gratitude to the Board Chair and members for their guidance and support throughout the year. I look forward to working together to deliver on our major initiatives and address future challenges.

Jason Buckley



















Chief Executive Officer | MyLeave















Performance Highlights

Performance activities are shown below with a comparison to last year as a percentage.













Workers

 4,888 LSL payments to workers 	 \$46.7 million LSL payments to workers  4.9%	 \$9,558 Average LSL payment (gross)  4.4%
 145,472 Registered workers  7.2%	 8,316 Apprentices* <small>*No charge to employers</small>  8.5%	 5,497 Interstate Workers  9.3%
 22,376 Workers with vested LSL benefits  5.2%	 14.4 million Days of Service  6.0%	 1,360 Days of service queries  -1.2%

Employers

 5,732 Registered employers  3.3%	 96.9% Average employer returns received 	 \$5.3 billion Industry wages  10%
 0.625% Average Levy 0.50% (Jul - Dec) 0.75% (Jan - Jun)  0.25%	 \$34.4 million Employer contributions* <small>*Includes prior year adjustments</small>  118%	 \$23.5 million Contribution levy below long term cost  -36%

MyLeave Operations

 \$686 million Total Assets  7.9%	 \$540 million Total liabilities  9.2%	 127% Liability cover  -1.2%
 \$7.7 million Operational expenses  15.7%	 10.8% \$69 million Investment return  11.1%	 \$43 million Increase in LSL liabilities  8.9%

 less than 1% change.



Overview

Participation in MyLeave increased, with registered workers rising to 145,000. Over the financial year, 14.4 million days of service were recorded, and an average of 85,000 workers had service recorded each quarter. Long service leave payments remained steady, with almost 4,900 payments totalling \$47 million.

The contribution rate increased from 0.5% to 0.75% in January 2025, generating \$34.4 million in contributions from employers.

Investment returns were strong at 10.8%, generating \$69 million in proceeds.

Following an actuarial review, long service leave liabilities rose by \$43 million, driven by:

- wage growth over the past 12 months
- pay inflation assumptions for future years
- increase in registered workers
- vested benefits increasing

As a result of the above, the Balance Sheet closed the year with an accounting surplus ratio of 127% (assets/liabilities) being within the target range. Maintaining a strong financial position is essential for MyLeave to be able to meet long service leave liabilities and withstand fluctuations in the financial markets and the construction industry over the longer term.

Operations

In 2025, MyLeave processed 4,888 payments to workers, totalling \$46.7 million in long service leave benefits.

The contribution levy was increased to 0.75% in January 2025. Despite this adjustment, the Board was pleased to maintain a relatively low levy, due to a continued strong financial position as of June 2024. This lower levy provided financial relief to employers, while also aligning contributions more closely with the Board's target funding level which has now been achieved. With industry wages totalling \$5.3 billion for the year, the reduced levy resulted in an estimated \$23.5 million in savings for the construction industry below the long term cost of 1.1%.

Looking ahead, the Board will soon determine the contribution levy for the year beginning 1 January 2026. MyLeave's actuary, actuaries, will support the Board in this decision-making process.

While MyLeave remains in a sound financial position, the Board must ensure that any future levy decisions uphold its mission:

"To provide financially sustainable portable long service leave for eligible Western Australia construction industry employees."

CONTRIBUTION LEVY					
	Jan 2021	Jan 2022	Jan 2023	Jan 2024	Jan 2025
Levy percentage	0.5%	0.1%	0.1%	0.5%	0.75%
Change	+0.49%	-0.4%	Nil	+0.4%	+0.25%

MyLeave statistics for 2025 show a continuing increase of workers in the construction industry driven by strong demand in the construction sector and labour shortages.

WORKERS					
	2021	2022	2023	2024	2025
Total registered	106,287 -0.1%	111,281 4.7%	123,100 10.6%	135,676 10.2%	145,472 7.2%
Total contributed for (average per quarter)*	62,392 0.3%	67,701 8.5%	73,570 8.6%	79,804 8.5%	84,562 6.0%
Total days of service (average per quarter)*	2,580,505 -0.3%	2,853,811 10.6%	\$3,110,101 9.0%	3,388,290 8.9%	3,591,277 6.0%
Number of benefits paid	3,670 -30.4%	4,242 15.6%	4,540 7.0%	4,864 7.1%	4,888 0.5%
Value of benefits paid	\$29.1 m 28.9%	\$36.1 m 24.1%	\$39.8 m 10.4%	\$44.5 m 11.8%	\$46.7 m 4.9%

* Three quarter average from September to March.

The number of active workers contributing to the scheme has increased by 6% over the past year, reaching 84,562, a 35% rise since 2021. This growth reflects the continued strength and relevance of portable long service leave in Western Australia's construction industry. Since commencement in 1987, around 81,000 workers have received a total of \$643 million in payments, highlighting its long-term value and impact to the industry.

In 2025, the quarterly average number of service days rose to 3.59 million, up from 3.39 million in 2024, marking a 6% increase. Employer contributions also saw a significant rise, with revenue reaching \$34.4 million in 2025 compared to \$15.8 million in 2024.

This increase was driven by the adjustment of the levy rate from 0.5% to 0.75% in January 2025 and the increase in workers.

In line with its vision, MyLeave is proud to provide a financial buffer for workers experiencing unexpected breaks in employment, while continuing to offer meaningful support for those taking well-earned long service leave.

The average number of registered employers has also continued to grow over the past year, reflecting increased industry engagement and confidence in the scheme.

Days of service recorded increases

EMPLOYERS					
	2021	2022	2023	2024	2025
Total registered (average for the year)	5,052 1.9%	5,215 3.2%	5,368 2.9%	5,545 3.3%	5,732 3.4%
Contribution levy amount	\$9.7 m -70.3%	\$12.3 m 26.8%	\$5.5 m -55.2%	\$15.8 m 187%	\$34.4 m 117.8%
Total industry wages	\$3.10 b 2.7%	\$3.56 b 14.8%	\$4.18 b 17.4%	\$4.79 b 14.6%	\$5.27 b 10.0%
Contribution levy difference to long term cost (1.1%)	\$24.4 m	\$26.9 m	\$40.5 m	\$36.9 m	\$23.5 m



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Where will your
leave take you?

LONG

Acknowledging the
short-term nature
of the construction
workforce we
recognising loyalty
to the construction
industry



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Communications

Over the last year we have executed our Communications Strategy in an effort to better reach our target audience and educate our current and prospective registered workers along the way.

Our presence on social media has been consistently maintained and built upon over the last 12 months and we are slowly gaining followers and engagement on our posts. These posts include general MyLeave information, stakeholder engagement efforts, trade shows attendances, employment opportunities, and legislative amendments amongst other things.

In March 2024 we established a partnership with MATES in Construction to support the work of MATES and spread MyLeave's message about how we may be able to support WA construction workers who are in need of a break for their mental health. We also attended the annual MATES Lunch in support of the cause and to network with industry.

In the second half of 2023 we attended the Perth Tradie Expo, The Perth SkillsWest Careers and Employment Expo, and the Careers Expo. This was our first year of attending these events and it was a great opportunity to get an idea of the different demographics of attendees.

The Careers Expo provided a solid platform for school students which was best suited to handing out high volumes of print information, although lacked much reach to the construction industry specifically.

The Tradie and SkillsWest expos provided opportunities to reach our existing stakeholders via industry specific areas which resulted in deeper and more meaningful conversations. These conversations revolved around specific scenarios, fringe cases, our purpose, and how we operate, as well as answering general enquiries and educating the public.

In 2024 we have added to our existing compliment of expo attendances and have:

- Presented to carpentry and plumbing students at South Metropolitan TAFE
- Attended the Master Plumbers & Gasfitters Association of WA Plumbing Industry Trade Day at South Metropolitan TAFE
- Attended the 2024 MPA Skills and Galvins Plumbing Supplies Plumbing Apprentice of the Year Competition.
- Locked in to attend the Master Plumbers & Gasfitters Association of WA Plumbing Industry Trade Day at North Metropolitan TAFE in August 2024.

We have been reaching out to industry associations to broaden our reach as well as Registered Training Organisations (RTO's) to get in front of apprentices when they enter the industry, and when they are completing their apprenticeships.

Efforts are also being directed at measuring the effectiveness of last year's Communications Strategy and identifying opportunities to improve and expand on what we are already doing, as well as refining the formats in which we provide information. We aim to build on our social media following to make information even more accessible.



Compliance Activities

The *Construction Industry Portable Paid Long Service Leave Act 1985* enables MyLeave to record worker service, collect employer levies, and provide long service leave benefits to construction workers.

MyLeave provides significant benefits to employees in the form of portable long service leave entitlements which, due to the nature of the industry, would normally not be available. This in turn incentivises worker participation and retention in the construction industry, which provides tangible benefits to employers.

MyLeave educates employers and employees and ensures compliance through a program of inspections and site visits. Where necessary, MyLeave prosecutes for non-compliance with the Act.

Our Team works with established regulatory frameworks and aims to provide accountable and consistent advice, ensuring that complex issues are resolved as efficiently as possible. Compliance and Advisory Inspectors work with a variety of stakeholders, advising them on matters relating to the Act, undertaking registration of employees and employers, assisting employers with the submission of their returns and payment of contributions.

Proactive Compliance

Proactive compliance activity identified 665 potential employers with whom we initiated contact. This represents a 3% decrease from 684 employers identified in 2023/2024. A total of 255 employer questionnaires were distributed, a 12% decrease (34) from 2023/2024.

665 Employers identified



Employer Registration Assessments

In 2024/2025 there were 630 new employers that were assessed as eligible and registered with MyLeave.

630 new employers registered



Days of Service Queries

In 2024/2025, 1,360 days of service enquiries were received from employees, a reduction of 1% from 1,376 in 2023/2024. 58% were resolved by communicating with the employer and 14% were referred for further inspection. The remainder are currently being examined.

1% decrease in days of service queries



Assessments/Adjustments

As a result of compliance activity in monitoring the accuracy of information reported on employer returns, 285 adjustments were made to employee records. A 16% increase from 245 adjustments in 2023/2024.

285 adjustments to employee records



Employers Return Compliance Activities

The accuracy of data reported by employers affects the entitlements recorded for workers and the timeliness of providing those entitlements. MyLeave did not receive 3,776 Employer Returns by the specified statutory date and required on average 944 compliance interventions per quarter.

The table below includes updated data from previous reporting periods showing all Returns received for the quarters received by the statutory reporting date.

On average 96.9% of Employer Returns were received



Regulatory compliance activities with employers are sustained where data recovery is feasible, notwithstanding delays beyond statutory deadlines.

% Returns Received Per Quarter	2021	2022	2023	2024	2025
Quarter 1	98.5%	98.5%	98.9%	96.2%	97.6%
Quarter 2	98.0%	98.4%	98.5%	97.2%	97.3%
Quarter 3	97.6%	97.6%	97.9%	97.7%	96.7%
Quarter 4	96.4%	96.4%	97.0%	98.1%	96.1%
Average	97.6%	97.7%	98.1%	97.3%	96.9%

Inspections

There was a 6% increase in Inspections from the 2023/2024 reporting period. Inspectors use a mix of remote and in-person contacts across the entirety of the State to maximise efficiency and manage the quantum of Inspections.

On-going complexity of legislation-related interpretative issues continues to present challenges in processing claims and assessing eligibility for some cohorts of workers and employers. Efforts continue to address and resolve these regulatory challenges.

The 6% increase in Inspections for this reporting period is in addition to a 32% increase in Inspection activity from 2023/2024, and a 174% increase in 2022/2023. This represents a combined increase in Inspections of 210% in three (3) years.

**983 initiated and
1,085 Inspections
completed**



Enforcement

Prosecutions increased by 6% from 2023/2024, a result of an increase in identification practices and resultant compliance activity. MyLeave commenced 83 employer prosecutions, 9 are waiting to be heard, and all other employers have now fully complied.

**83 prosecutions
commenced**



WAIRC Review

This reporting period saw a continuation of an increase in matters being referred to the Western Australian Industrial Relations Commission for review. During the year, five (5) matters were subject to review proceedings by the WAIRC. Four matters were resolved by the applications being discontinued, and one (1) matter remains before the Commission.

Compliance Summary

Progress on review, interpretation and application of our regulatory framework continues with a view to resolving significant challenges and providing positive results for both workers and employers whilst satisfying regulatory requirements. Development continues on improved information technology systems which will enable streamlined compliance activity and considerable efficiency dividends in education, proactive intervention, self-service capabilities and consistent outcomes.

Legislation

The *Construction Industry Portable Paid Long Service Leave Amendment Bill 2025* was introduced into the Legislative Council of Parliament on 26 June 2025.

The Bill includes priority amendments to the *Construction Industry Portable Paid Long Service Leave Act 1985* (Act) to address known matters that have been under consideration for some time. These amendments include:

- accommodating construction workers who work on ships (vessels: self-propelled and non-self-propelled);
- allowing construction workers to record days of service whilst stood down or on workers compensation;
- allowing construction workers access to accrued long service leave entitlements prior to achieving the minimum service period, due to total and permanent incapacity, terminal illness, or death;
- improving the effective and efficient operation of the Board; and
- consequential amendments to the *Building and Construction Industry Training Fund and Levy Collection Act 1990*.

The Government made election commitments in 2021 to amend the Act to accommodate construction workers who work on ships and were excluded by a decision of the Western Australian Industrial Relations Commission in 2016; and to rectify an anomaly whereby construction workers are not able to accumulate service if they are stood down.

In addition to these commitments, other high priority matters have been identified to be addressed at the same time relating to workers compensation days of service, early access for hardship due to incapacity, terminal illness or death, and operations of the Board.

These amendments were the subject of extensive consultation as part of the broader review of the Act conducted by KPMG throughout 2023 and 2024 (the Review). Additional stakeholder engagement was undertaken in mid-2024 to gather insights from the construction industry on key policy issues identified in the 2023 Review Report. Following this, KPMG prepared a Further Report summarising the outcomes of this consultation, which was approved for release by the Minister for Industrial Relations in April 2025.

The Review does not propose structural reforms that would fundamentally alter the existing legislative framework. However, it does recommend targeted legislative amendments to ensure the Act remains fit-for-purpose. These findings will inform the development of future reform measures aimed at maintaining the Act's relevance and effectiveness for the Western Australian construction industry.

The industrial landscape has evolved significantly in recent years, prompting the need to address emerging issues and resolve outdated legislative provisions in light of contemporary circumstances.

Ongoing reform efforts are focused on modernising key definitions within the Act to enhance clarity, consistency, and certainty for both workers and employers.

Amendments to the *Construction Industry Portable Paid Long Service Leave Regulations 1986* commenced 1 January 2025, revising the contribution levy.

The Board continues to review the statutory interpretation of 'ordinary pay' which may affect contributions made by some employers and entitlements for some workers.



Technology

MyLeave has undertaken a major transformation to become a fully digital, secure, and cloud-based operation. This initiative focuses on delivering cost-effective solutions that meet business needs while enhancing customer experience.

At the heart of this transformation is the implementation of a new Customer Relationship Management (CRM) system built on Microsoft Dynamics 365. This modern platform replaces a complex legacy system that has supported operations for over two decades and contains more than 30 million data records. The new system streamlines bespoke processes, enabling more reliable and efficient business activities.

Designed to support both employers and workers, the platform facilitates leave submissions and balance tracking, while also providing MyLeave employees with a modern interface to manage and support transactions.

Following the completion of development, extensive testing has been conducted including;

- defect remediation
- data validation
- cyber security assessments, and
- user experience evaluations with external stakeholders.

As of this report, preparations for go-live are underway, with operations expected to commence in late 2025.

Cyber security remains a top priority. MyLeave continues to strengthen its cyber maturity using the Australian Cyber Security Centre's Essential Eight framework, ensuring robust protection of systems and customer data against malicious threats.

Office Relocation

During the year, MyLeave staff relocated to new premises at 503 Murray Street, Perth, situated at the western end of the city.

The new office is more centrally located than the previous West Perth location and offers improved access to public transport, enhancing convenience for both employees and customers. This move supports our ongoing commitment to delivering excellent customer service, and we welcome visitors to stop by and say hello.



Investment

In 2025 the investment return percentage achieved by MyLeave was 10.8%, which is consistent with the 2024 return of 10.4%, and greater than the 20 year long term average return of 6.4% per annum. MyLeave Board Members acknowledge that the annual investment performance will fluctuate on a year in/year out basis. As such, the investment portfolio is structured to accommodate, as best possible, these performance fluctuations.

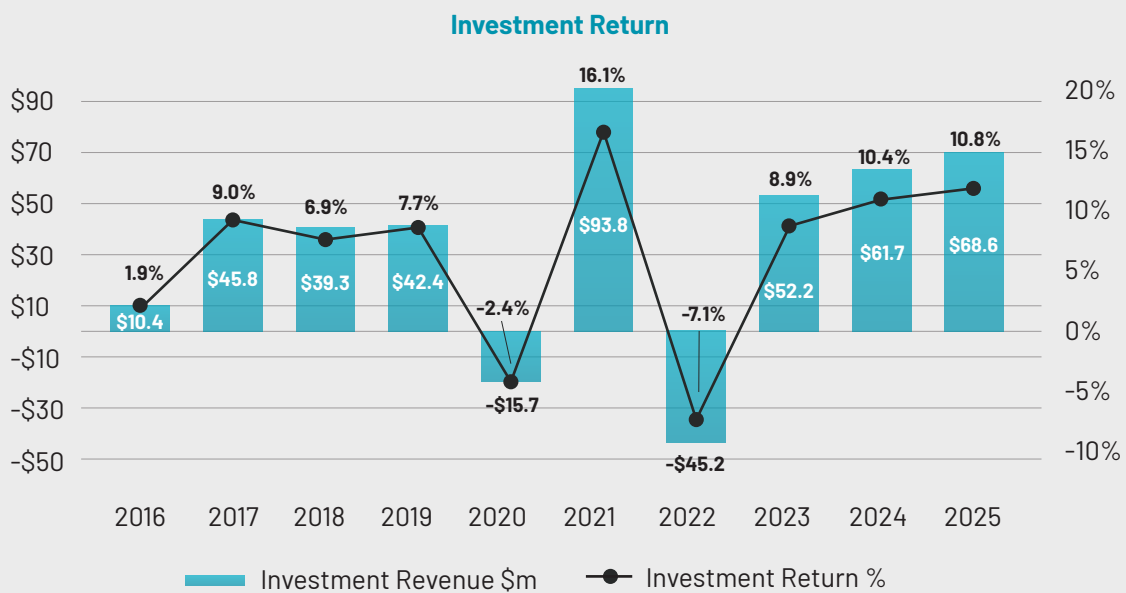
The proceeds from investments were \$68.6 million which contributes to covering the total long service liabilities and payments to workers.

MyLeave takes a long term view of investment returns and has set its strategy to match the long term liability profile of worker entitlements. MyLeave may experience negative returns in some years, but

this will be offset by positive returns so that in the longer term investment objectives are met.

It is important that MyLeave continues to maintain a sound Balance Sheet to address downturns in the investment markets.

The table below shows the year in/year out variances in the annual investment return.



The table below shows the investment assets (including cash deposits held by MyLeave) and the significant revenue/income impact of investment returns for MyLeave.

Investment portfolio has a strong result

INVESTMENT ASSETS AND INCOME					
	2021	2022	2023	2024	2025
Investment assets	\$668 m	\$596 m	\$608 m	\$629 m	\$673
Investment income	\$93.8 m	-\$45.2 m	\$52.2 m	\$61.7 m	\$68.6 m
Investment return	16.1%	-7.1%	8.9%	10.4%	10.8%

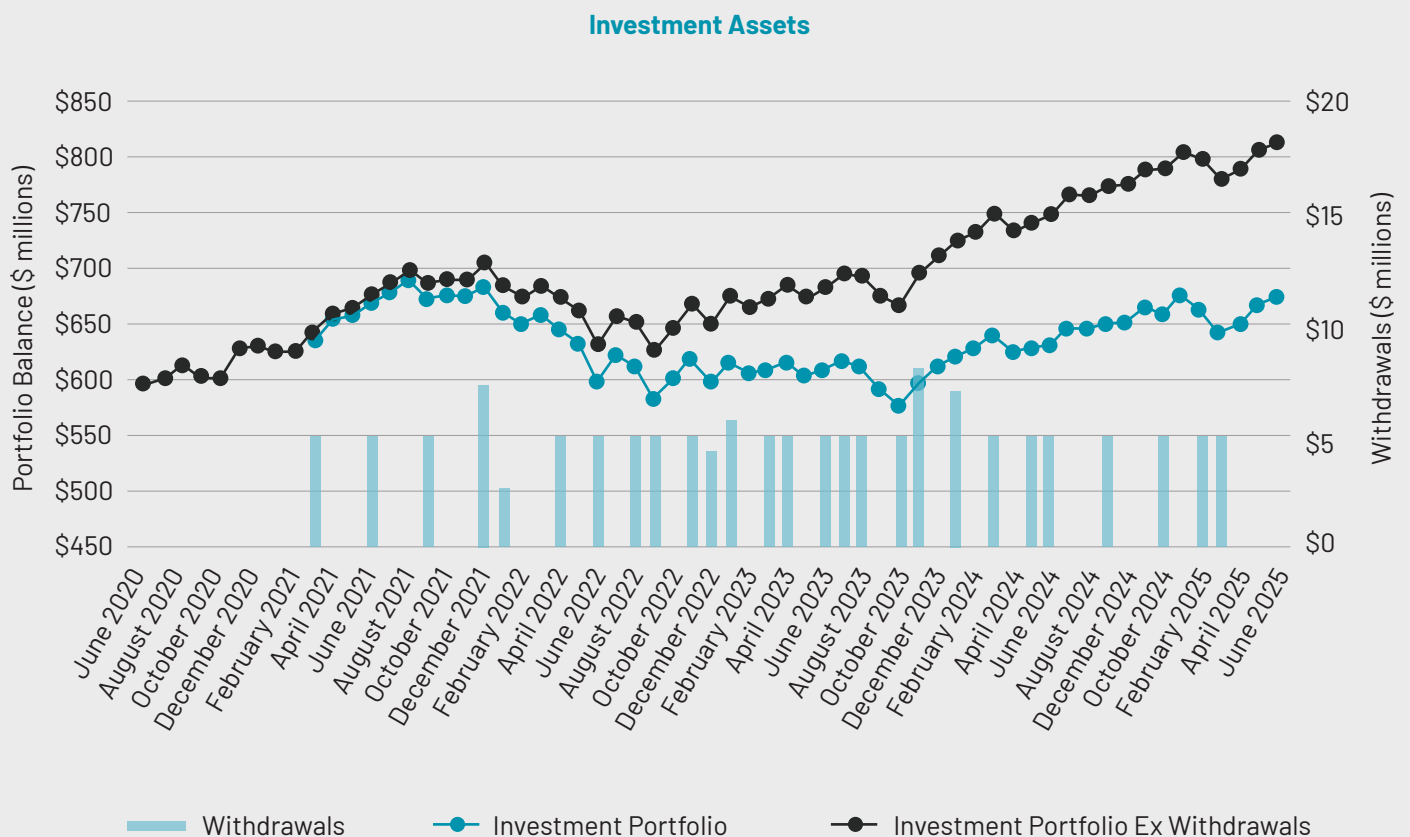
Whilst, over recent years, significant growth has been recorded in the investment portfolio, this aligns the portfolio to the Actuary's calculation of the total actuarial liability for worker payments. The investment portfolio is also required to have a financial buffer to cover global investment market downturns.

The Statement of Comprehensive Income in this Annual Report details that in 2024/2025 the level of net investment income was \$68.6 million, and the contribution income from employers was \$34.4 million. As previously detailed, the contribution income was more than the 2023/2024 level of \$15.8 million.

The Board's investment assets have performed well over recent years with a current balance of \$673 million at 30 June 2025.

The Board has withdrawn \$140 million from the portfolio to fund long service leave payments and operating expenses over the last four years. This represents a refund of contributions to employers from the Board's surplus through the low contribution levies that have been in place over that time.

The total investment assets by month over the last five years is shown in the following chart.



The lower blue line in the chart represents the actual portfolio balance. The higher black line is the portfolio balance if funds had not been withdrawn and represents the portfolio's performance excluding the cash flow effect of withdrawing funds.

Investment advisory services were novated from Commonwealth Bank during the year to LGT Crestone who will assist MyLeave in managing the 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.

As part of its investment approach, the MyLeave Board adopted a set of Investment Beliefs that guides its decision making in all matters related to structuring and implementing its investment strategy. The objectives of these beliefs are:

1. The Construction Industry Long Service Leave Payments Board (Board) considers the preservation of capital as a primary goal, to the extent the Construction Industry Long Service Scheme's purpose is to fund long service leave liabilities.
2. The Board has a long term investment time horizon and therefore investment decisions need to be considered in the context of a long term investor.
3. The Strategic Asset Allocation is the long term determinant of return and risk for the Long Term Earnings Fund and will therefore establish and review the strategic asset allocation that is commensurate with MyLeave's risk capacity.

The average investment return over the last ten years has been 6.2% per year, and long term returns of 6.4% per year over 20 years.

The next table shows MyLeave's Strategic Asset Allocations (Benchmark and Actual) and the Notes to the Financial Statements provides specific details of the individual Fund Managers as at 30 June 2025.

STRATEGIC ASSET ALLOCATION			
Asset Class	Benchmark	Range	Actual 30 June 2025
Cash (including Term Deposits)	25%	15%-35%	25.6%
Fixed interest	15%	5%-25%	14.3%
Sub total	40%	30%-50%	39.9%
Australian listed equities	25%	15%-35%	24.8%
International listed equities	35%	25%-45%	35.3%
Sub total	60%	50%-70%	60.1%
Total	100%		100%

Financial Position

As a result of the factors previously commented on, MyLeave's Balance Sheet continues to record a sound financial position as shown below.

STATEMENT OF FINANCIAL POSITION					
	2021	2022	2023	2024	2025
Assets	\$674 m	\$599 m	\$610 m	\$637 m	\$686 m
Liabilities	\$397 m	\$382 m	\$447 m	\$495 m	\$540 m
Equity surplus	\$277 m	\$217 m	\$163 m	\$142 m	\$146 m
Accounting Ratio (Assets/Liabilities)	170%	157%	137%	129%	127%

The actuarial calculations are updated annually and reflect the assessment of the worker liability considering updated annual data including days of service and the ordinary income of workers as submitted in the quarterly returns by employers.

The table below shows the historical movement in the actuarial liability and in turn this actuarial liability must be reflected in the corresponding asset being the investment portfolio.

LONG SERVICE LEAVE LIABILITIES					
	2021	2022	2023	2024	2025
Vested LSL liability	\$277 m	\$284 m	\$330 m	\$331 m	\$363 m
Unvested LSL liability	\$116 m	\$95 m	\$115 m	\$162 m	\$174 m
Total LSL liability	\$393 m	\$379 m	\$445 m	\$493 m	\$537 m
Workers with vested LSL benefits	18,310	19,312	20,340	21,262	22,376

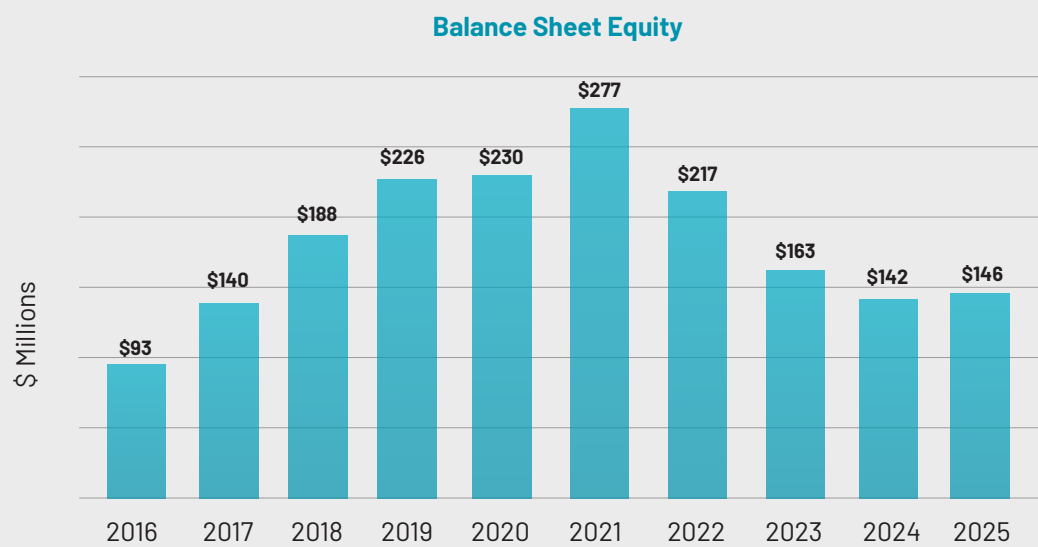
Actuarial liability increases

The increase in MyLeave's actuarial liability by \$44 million from last year was due to provisions for a changes in statutory interpretation, increase in the average rate of pay, higher pay inflation rate assumptions for future years and an increase in the number of workers and accrued weeks of leave. The government bond rate slightly reduced from last year, which is used to determine the present value of anticipated long service leave payments.

The annual actuarial analysis includes a forecast for the short/medium term future liability and the actuarial liability is forecast to grow from \$537 million as at 30 June 2025 to \$687 million as at 30 June 2030.

The equity movement in 2024/2025 was a gain of \$4.6 million. MyLeave endeavours to minimise the movements however there are key impacts, such as Western Australian construction industry activity, government bond rate movement, and global investment market performance, which are outside of MyLeave's control.

The value of the Balance Sheet Equity (surplus/deficiency) and movement for the last ten years is shown in the following graph.



The 2025 Balance Sheet Equity Surplus of \$146 million with an accounting ratio of 127% is near the top end of MyLeave’s approved range of 110% - 130%. It is important that MyLeave retains a prudent coverage ratio to ensure the Balance Sheet Equity can withstand both future global investment market downturns and any material changes to the actuarial liability for worker payments.



Operational Structure

Enabling Legislation

The Construction Industry Long Service Leave Payments Board 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 were proclaimed on 19 December 1986. Operations commenced by Ministerial Order on the appointed day of 6 January 1987.

Responsible Minister

The Honourable Simone McGurk MLA, Minister for Industrial Relations



Board Members

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

Business name: MyLeave

Board Chair



Susan Barrera

Appointed to the Board as Chair in September 2018. Susan worked for over 30 years in senior positions in the State Government including Executive Director Labour Relations and Director General Department of Communities. Susan is a consultant for The Nexus Network specialising in organisational change management. Term expires in September 2026.

Representing Workers



Kari Pnacek

Appointed to the Board in February 2024. Kari is the Assistant Secretary of UnionsWA. Kari has spent more than two decades as a passionate advocate for workers' rights in the labour movement both in the United States and Australia. Prior to UnionsWA, she spent eight years with the Transport Workers Union (TWU). Term expires in September 2027.



Steve McCartney

Appointed to the Board in May 2009 to September 2016. Reappointed to the Board in September 2018. Steve is the State Secretary of the Australian Manufacturing Workers Union since 2009. Steve previously held positions of State President and has worked for the Australian Manufacturing Workers Union since 2001. Term expires in September 2026.



Vacant Position

Appointment process underway with the Minister to appoint a person who represents the interests of employees in the construction industry in accordance with section 6(1)(c) of the Act.

Representing Employers



Paula West

Appointed to the Board in October 2024. Paula is the Dale Alcock Homes Operations Manager and Design Manager WA for the ABN Group. Paula has worked in the building and construction industry for over 38 years with extensive experience in managing businesses in the residential sector. Paula is on the Board of Master Builders Association (MBA) Western Australia and is Vice Chair of the MBA Housing Council. Paula is also on the MBA National Jobs and Skills Committee and is the Women Building Australia Ambassador for WA. Term expires in September 2027.



Jo Alilovic

Appointed to the Board in September 2018. Jo is the Director and founder of 3D HR Legal, a specialist workplace relations and safety law firm. Jo's experience in the construction industry includes being the daughter and wife of tradesmen, being seconded to the industrial relations team of the Master Builders Association (WA), and representing a large number of builders and subcontractors in various workplace relations matters. Term expires in September 2026.



Kate Schick

Appointed to the Board in September 2018. Kate is Manager, Construction Services at the Chamber of Commerce and Industry WA. Kate has had extensive experience in the major engineering, construction and maintenance industries having spent time working for both employer groups and contractors since 1996. Term expires in September 2025.

Board Members whose terms finished in 2024/2025



John Gelavis

Appointed to the Board in September 2020. John is the Chief Executive Officer of a consulting engineering firm and was previously the Executive Director of Master Builders Association of WA. John's term expired in September 2024.



Steve Catania

Appointed to the Board in October 2024. Steve resigned effective from 8 March 2025 after being elected to State Parliament. Steve was previously a practicing solicitor and Special Counsel at Eureka Lawyers.

Appointment

The Act provides for portable long service leave to be administered by the Board, which is a body corporate comprising seven members.

The members of the Board are appointed by the Minister for a period of three years. These appointments expire at varying times based on a staggered cycle with one third of the terms expiring each year.

The Chair is independently appointed by the Minister with other members appointed as follows:

- Two members, representing employers, are selected from nominations by the Master Builders Association of W.A. and the Chamber of Commerce and Industry of W.A.
- Two members, representing employees, are selected from nominations by Unions W.A. and the Building Trades Associations of Unions of W.A.
- 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.

Board Meeting Attendance	Number of meetings eligible to attend	Number of meetings attended
Susan Barrera (Chair)	6	6
Jo Alilovic	6	5
Steve McCartney	6	5
Kari Pnacek	6	5
Kate Schick	6	6
Paula West	5	5
John Gelavis (to September 2024)	1	1
Steve Catania (from October 2024 to March 2025)	3	2

Audit and Risk Committee Attendance	Number of meetings eligible to attend	Number of meetings attended
Andrew Cox (Independent Chair)	4	4
Susan Barrera	4	4
Steve McCartney	4	1
Kate Schick (from October 2024)	3	3
John Gelavis (to September 2024)	1	1

Board Remuneration

In accordance with section 9 of the Act, the Chair and Board members are entitled to such fees and allowances as the Minister for Industrial Relations determines after consultation with the Public Sector Commissioner.

Position	Member	Type of remuneration	Period of membership	Term of appointment	Gross/actual remuneration
Chair	Susan Barrera	Board Payment	1/07/2024 to 30/06/2025	24 September 2026	\$41,649 #
Member	Jo Alilovic	Board Payment	1/07/2024 to 30/06/2025	24 September 2026	\$22,907 #
Member	Steve McCartney	Board Payment	1/07/2024 to 30/06/2025	24 September 2026	\$20,544*
Member	Kari Pnacek	Board Payment	1/07/2024 to 30/06/2025	24 September 2027	\$20,544*
Member	Kate Schick	Board Payment	1/07/2024 to 30/06/2025	24 September 2025	\$22,907#
Member	Paula West	Board Payment	4/10/2024 to 30/06/2025	24 September 2027	\$17,553#
Member	John Gelavis	Board Payment	1/07/2024 to 24/09/2024	Expired	\$5,353#
Member	Steve Catania	Board Payment	4/10/2024 to 8/03/2025	Resigned	Nil
					\$151,457

Includes superannuation

* Remuneration paid directly to employer (excludes superannuation)



Organisational Structure

Vision



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

Mission



To provide financially sustainable portable long service leave for eligible Western Australian construction industry employees.

Objectives



1 To fully implement portable long service leave within the Western Australian construction industry by:

- ensuring all eligible employers are registered and that contributions are being paid for eligible employees; and
- registering all eligible construction industry employees.

2 To minimise the contribution rate payable by:

- optimising the rate of return on investment funds having regard to risk; and
- minimising the administrative cost.

Strategic Plan



The Strategic Plan 2025-28 includes 19 strategies within five key focus areas as follows:

1 My Service

Customer focused and efficient organisation ensuring employees receive LSL benefits.

2 My Team

Capable people that are engaged, resilient and results orientated.

3 My Systems

'Digital-first' processes that deliver accurate and efficient results using reliable systems.

4 My Investment

Manage investment funds to meet liabilities and minimise the contribution rate.

5 My Oversight

Strong governance across all facets of the operations and decision making.

Values



Working together

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



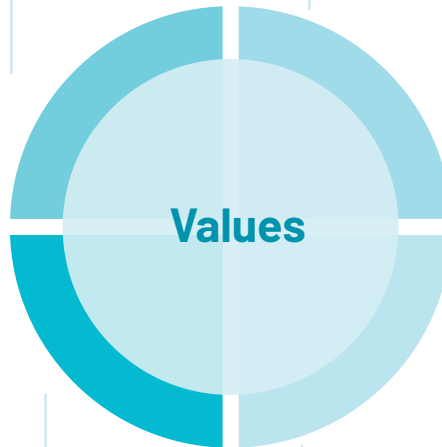
Honesty & integrity

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

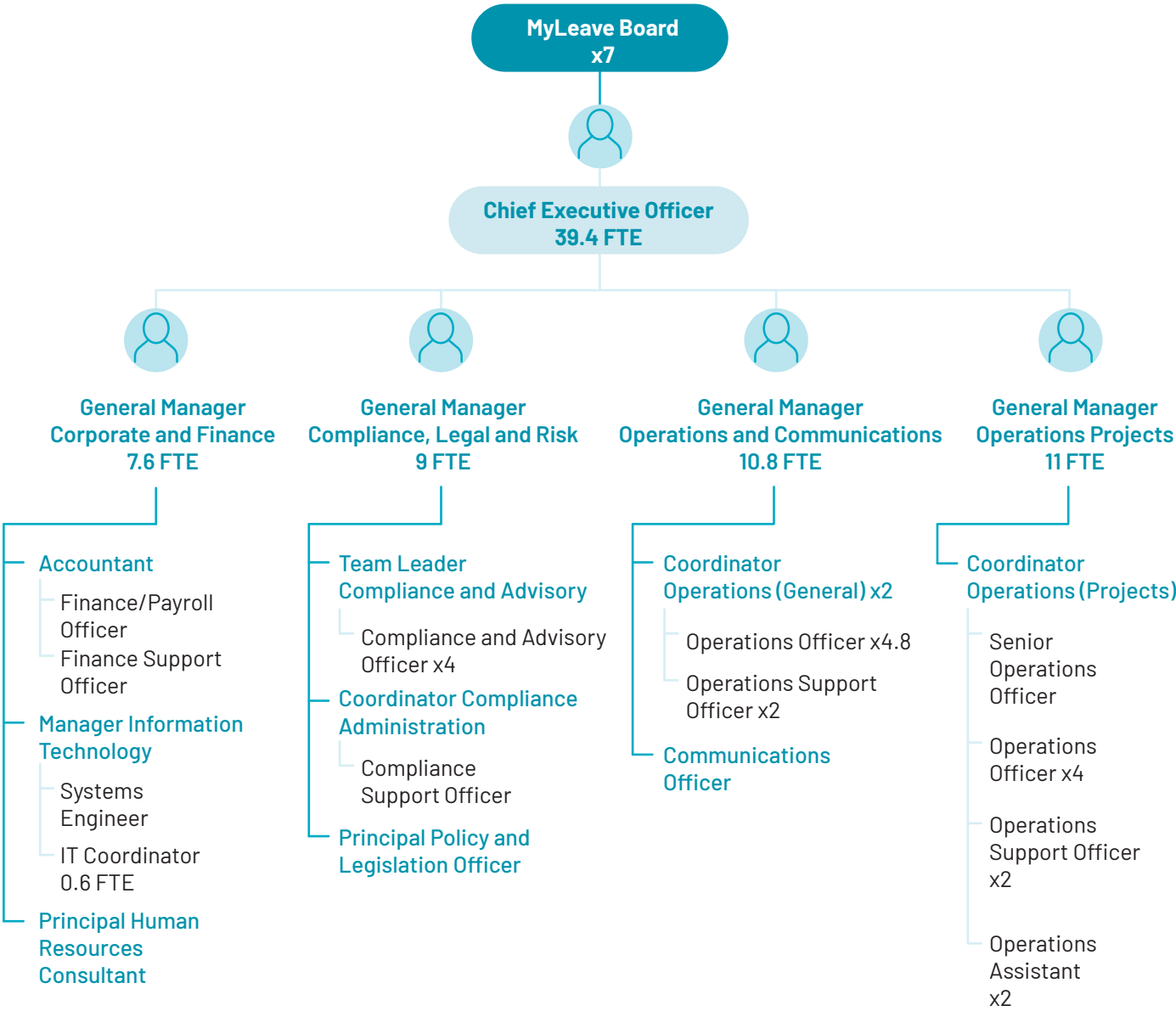


Consistency

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



Organisation Chart



As at 30 June 2025, MyLeave's established staffing level was 39.4 FTE.

Senior Officers



Jason Buckley / Chief Executive Officer

Jason joined MyLeave in July 2019. Jason is responsible for assisting the Board in meeting its strategic objectives and administering the Act with the support of the General Managers and MyLeave employees.



James Dew / General Manager

Corporate and Finance

James commenced with MyLeave in January 2021. James leads the corporate teams which deliver the finance, information technology, human resources, records and procurement functions.



Brandon Shortland / General Manager

Compliance, Legal and Risk

Brandon joined MyLeave in May 2022. Brandon leads the compliance team who work with employers to ensure construction workers receive their correct long service leave entitlements. The team also review and interpret the statutory legislation. Other areas of responsibility include internal compliance, audit and risk management.



Alida Burness / General Manager

Operations and Communications

Alida joined MyLeave in January 2025. Alida leads the operations team who assess, and process long service leave claims for construction workers, and the data from returns lodged by employers recording service entitlements for their workers. Alida also oversees communications and stakeholder engagement.



Daniel Kelly / General Manager

Operations Projects

Daniel was employed by MyLeave in September 2018. Daniel is performing in a projects role to undertake several high-level operations projects for digital transformation, customer experience and operational changes resulting from statutory interpretation.



Administered Legislation

The Board assists the Minister for Industrial Relations in administering the *Construction Industry Portable Paid Long Service Leave Act 1985* and the *Construction Industry Portable Paid Long Service Leave Regulations 1986*.

Other Key Legislation Impacting on Activities

In terms of the performance of its functions, the Board complies with the following relevant written laws:

A New Tax System (Goods and Services Tax Act) 1999

Auditor General Act 2006

Contaminated Sites Act 2003

Crime Corruption Commission Act 2003

Disability Services Act 1993

Electoral Act 1907

Equal Opportunity Act 1984

Financial Management 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

Payroll Tax Assessment Act 2002

Procurement Act 2020

Public Interest Disclosure Act 2003

Public Sector Management Act 1994

State Records Act 2000

Statutory Corporations (Liability of Directors) Act 1996

Superannuation Guarantee (Administration) Act 1992

Taxation Administration Act 2003

Work Health and Safety Act 2020

Trustees Act 1962

Workers Compensation and Injury Management Act 2023

Performance Management Framework

Outcome Based Management Framework

Outcome

Financially sustainable portable long service leave for eligible Western Australian construction industry employees

Key Effectiveness Indicators

- (i) Employers who have registered.
- (ii) Employees for whom days of service have been recorded.
- (iii) Long service leave contribution rate.
- (iv) Annual return from investments.
- (v) Employees who have received a long service leave payment.
- (vi) Qualifying service profile of registered employees.

Service

Management of the Construction Industry Long Service Leave scheme

Key Effectiveness Indicators

- (i) Average administrative cost per registered employee.
- (ii) Full time equivalent Board staff per registered employees.

Changes to the Outcome Based Management Framework

The Board's Outcome Based Management Framework did not change during 2025.

Shared Responsibilities with Other Agencies

The Board did not share any responsibilities with other agencies in 2025.

Board Performance

Report on the Operations

Actual results versus budget targets

Financial Targets	2025 Target ⁽¹⁾ (\$000)	2025 Actual (\$000)	Variation ⁽²⁾ (\$000)
Total cost of services (expense limit) (details from Statement of Comprehensive Income)	9,268	7,775	1,493 ^(a)
Net cost/(income) of services (details from Statement of Comprehensive Income)	(23,732)	(60,786)	37,054 ^(b)
Total equity (sourced from Statement of Financial Position)	123,039	146,291	23,252 ^(c)
Agreed salary expense level	5,322	3,820	1,502
Agreed borrowing limit (where applicable)	-	-	-

(1) As specified in the Budget Statements.

(2) Further explanations are contained in Note 8.9 'Explanatory statement' to the financial statements.

(a) This variation is primarily due to underspends in non-recurring expenses including an Act review, development of a new records management system, employment benefit expenses and legal expenses.

(b) The net cost of service was more income than estimated due to better than expected earnings on investments made on the Board's funds. The underlying portfolio performance was estimated at 5.5% and the actual is 10.8% due to strong domestic and international markets returns.

(c) Total equity increased greater than anticipated due to the following factors:

	(\$000)
Higher provision/value for long service leave liability than forecast	(25,123)
Lower opening 1 July 2024 total equity than forecast	(1,366)
Higher investment income than forecast	35,554
Higher contribution from employers than forecast	10,405
Lower number/value of long service leave payments than forecast	2,282
Lower operating expenses than forecast	1,493
Higher other income than forecast	7
Equity Variance	23,252

Summary of Key Performance Indicators

	2025 Target ⁽¹⁾	2025 Actual	Variation ⁽²⁾
Outcome: Financially sustainable portable long service leave for eligible Western Australian construction industry employees.			
Key Effectiveness Indicators:			
(i) Eligible employers who have registered.	5,700	5,732	32
(ii) Employees for whom contributions have been made.	81,000	84,562	3,562
(iii) Long service leave contribution rate.	0.625%	0.625%	-
(iv) Annual return from investments.	6.5%	10.76%	4.26%
(v) Employees who have received a long service leave payment.	5,000	4,888	(112)
(vi) Qualifying service profile of registered employees (total qualified for a long service leave benefit).	21,700	22,376	676
Service: Management of the Construction Industry Long Service Leave scheme.			
Key Efficiency Indicators:			
(i) Average administrative cost per registered employee.	\$59.00 p.a.	\$53.45 p.a.	(\$5.55 p.a.)
(ii) Full time equivalent Board staff per registered employees.	0.29	0.21	(0.08)

(1) As specified in the Budget Statements, internal modelling, and actuarial forecasts.

(2) Further explanations for the variations between target and actual results are presented in the 'Audited Key Performance Indicators' section following the financial statements.

Significant Issues Impacting the Board

Current and Emerging Issues and Trends

The key trend for MyLeave to monitor is the activity in the Western Australian construction industry. As detailed under the 'Year in Review' section, the quarterly worker data submitted by employers indicates there has been an increase of 6% in workers receiving contributions.

Housing

Population growth and falling interest rates are expected to drive short-term demand in Western Australia's housing market. Labour shortages remain the primary constraint on home building, although there are early signs of easing. Despite this, housing demand continues to outstrip both supply and the industry's capacity to deliver new homes.

Western Australia has outperformed other states in recent years, leading the national home building cycle. WA has benefited from strong population growth, both overseas and interstate, and access to more affordable, shovel-ready land. This has supported not only new home construction but also renovation activity.

New home sales rose in the first quarter of 2025 following a slowdown in the second half of 2024. This rebound suggests that home building businesses have been able to take on more work, supported by a higher rate of completions last year.¹

General Construction

As of May 2025, the Australian Construction Industry Forecasting Council (ACIF) has released updated historical data and forecasts for construction activity in Western Australia.²

In 2023/24, total building and construction activity rose by 17.7% to \$47.9 billion. This growth was primarily driven by a 27% surge in engineering construction, which increased from \$24.2 billion to \$30.7 billion.

The outlook for 2024/25 projects total construction activity to grow by a further 6.3%, reaching \$50.9 billion.

Continued growth is anticipated in the years beyond, underpinned by sustained expansion in engineering construction.

¹ HIA State Outlook (Western Australia) – Autumn Edition 2025

² Australian Construction Market Report – May 2025 Table 10.23



Value of Construction in Western Australia Actual Value (\$million)					
	2019-20	2020-21	2021-22	2022-23	2023-24
Residential building	10,408	10,833	11,179	11,016	11,475
Non-Residential building	4,589	4,168	4,946	5,530	5,776
Engineering construction	20,322	23,114	21,525	24,158	30,664
Total construction	35,320	38,115	37,650	40,704	47,915

Value of Construction in Western Australia Forecast Value (\$million)					
	2024-25	2025-26	2026-27	2027-28	2028-29
Residential building	11,853	12,173	12,645	13,359	13,886
Non-Residential building	5,817	5,944	6,029	6,197	6,476
Engineering construction	33,253	33,983	36,795	39,030	40,751
Total construction	50,924	52,099	55,469	58,586	61,113

MyLeave continues to focus on meeting its objective to “minimise the contribution rate payable” but has been challenged with increased wages and higher industry participation with the growth in workers increasing the liability assessment. As a consequence, the contribution rate increased to 0.75% effective from January 2025. There continues to be upward pressure on the contribution rate which will need to be monitored and managed carefully to ensure that sufficient funds are maintained to meet future long service liabilities.

The following will impact on MyLeave’s financial position:

1) Contribution levy from employers is increased closer to the long term cost with a view to achieving the target funding level

The returns on investments, at the average long term return, has the potential to meet the annual long service leave payments to workers as well as meeting MyLeave’s operational expenses. The positive investment returns this year will assist in achieving a contribution rate lower than MyLeave’s long term cost. However, the upwards movement in the long service liability due to increased worker wages and numbers, and recognition of remediation provisions will put pressure on the Board being able to maintain the contribution levy lower than the long term cost. Low contribution income from employers could be a financial risk if liabilities continue to increase at the rate recently experienced. If there is a lower contribution levy, the risk of default from employers is reduced..

2) Wage inflation and increase in construction workers increasing long service leave liabilities

The construction sector is in a period of strong demand, and with a shortage of skilled workers, MyLeave continued to experience higher than average increases in worker wages. If this experience continues with higher wages to construction workers over a sustained period, long service leave liabilities will increase. This may impact the Board’s funding ratio. However, the increase in liabilities can be managed with making measured contribution levy increases rather than sharp adjustments.

3) Draw down of capital from the investment portfolio to fund LSL payments and operations

Contribution income has increased in part due to the levy being set closer to the long term cost. The need to draw down funds from the investment portfolio has decreased but there will still be need to draw down some funds to meet long service leave payments to workers, and to fund MyLeave's operations and administration costs. The investment portfolio will be supplemented by earnings that have the potential to offset the redemption of funds.

4) Increasing annual number of payments to workers

The number and value of payments made per annum has plateaued at around 5,000 per year. Higher payments to workers is positive and consistent with the purpose of the scheme; to make payments to workers who reach the minimum service period to receive a benefit.

The Board has undertaken a review of the statutory interpretations of 'ordinary pay' which may affect contributions made by some employers and entitlements for some workers. Provisions have been made in the long service liability in the financial statements for both remediation of past payments and account for an increase in future payments.

MyLeave management will continue its close liaison with industry participants and Board Members to ensure emerging risks are identified and considered in a timely manner. In turn, this will ensure MyLeave maintains its financially sound position.

Economic and Social Trends

Economic trends affecting investment markets, labour demand, construction activity, and wage inflation will impact on the operations of the Board. The investment markets have again seen strong results after a period of volatility due to global impacts around trade and tariffs in the USA, this year.

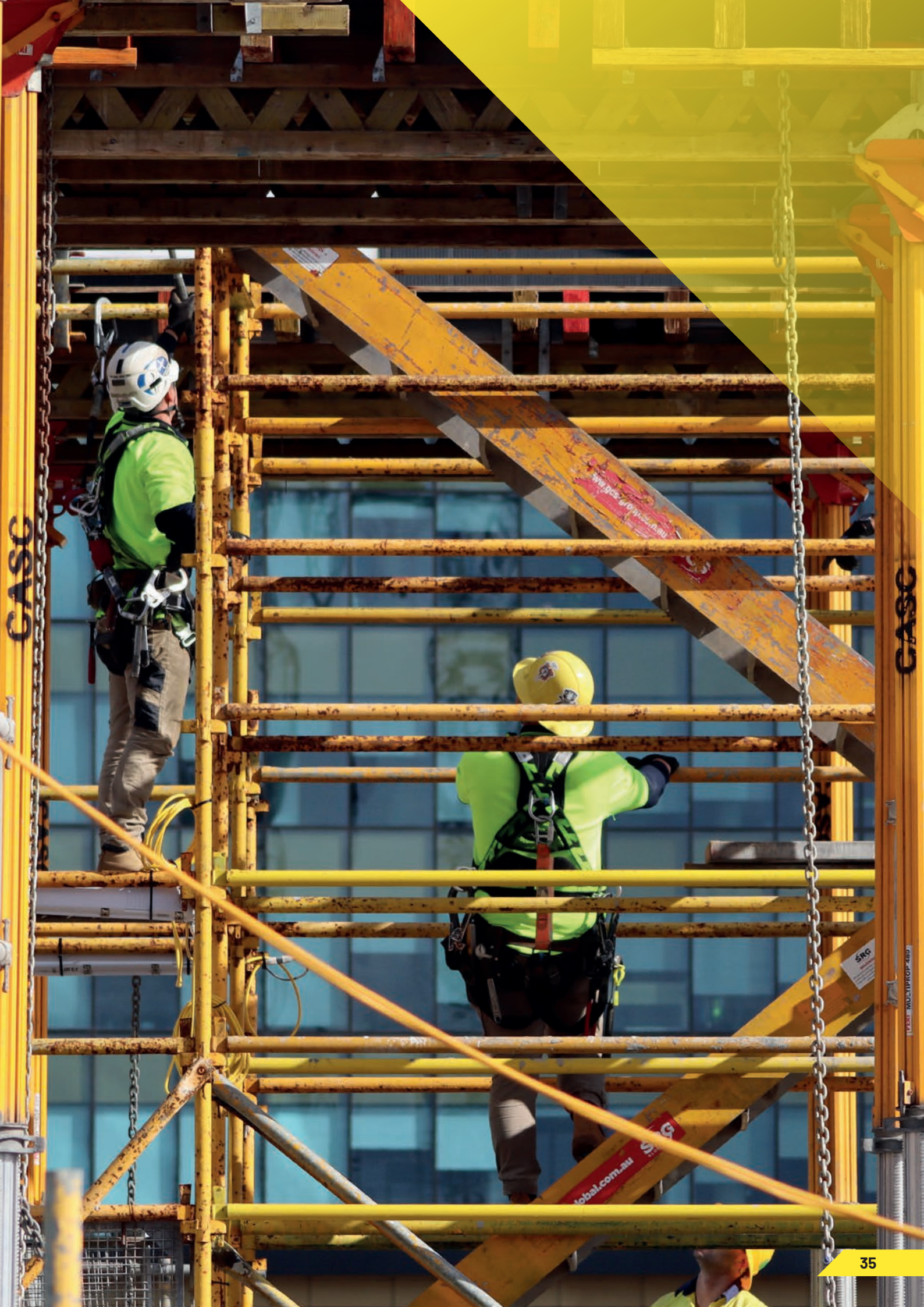
Construction activity is at a high level and labour shortages exist to meet demand which is having a consequent impact on wage growth.

Changes in Written Law

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

Likely Developments and Forecast Results of Operations

Nil



Other Statutory Information

Ministerial Directions

No Ministerial directives were received during the financial year.

Other Financial Disclosures

Capital Works

No capital projects were completed during 2024/2025. However, expenses of \$932,000 have been incurred for an IT transformation project to replace core systems. Although a non-recurrent expenditure, this amount is not regarded as capital due to the application of accounting standards.

Employment and Industrial Relations

Employees are employed under the provisions of the *Government Officers' Salaries, Allowances and Conditions Award 1989* and the *Public Sector CSA Agreement 2024*. Staffing arrangements at 30 June 2025 compared with previous years is listed in the table below.

Staff Profile	2025	2024
Full time permanent	26.0	23.0
Full time contract	3.0	3.0
Part time measured on a FTE basis	1.4	1.4
On secondment	Nil	Nil
Total	30.4	27.4

Staff Development

The Board encourages its employees to maintain and improve their skills and to that end funds appropriate training courses.

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 2024/2025 was \$22,977 (ex GST).

Other Legal Requirements

Unauthorised Use of Credit Cards

Officers of the Board hold corporate credit cards where their functions warrant usage of this facility. Each cardholder is reminded of their obligations under the Board's credit card policy.

Advertising, market research, polling, and direct mail

In accordance with section 175ZE of the *Electoral Act 1907*, the Board incurred the following expenditure in advertising, market research, polling, direct mail, and media advertising. Total expenditure for 2023/2024 was \$107,992 (ex GST).

Expenditure was incurred in the following areas.

Expenditure	Organisation	Amount (\$)	Total (\$)
Direct mail	Zipform ⁽¹⁾	\$101,169	\$101,169
Media advertising	Ark Media Initiative Media Dowd Publications	\$2,864 \$2,409 \$700	\$5,973
Recruitment advertising	Initiative Media Seek	\$1,131 \$900	\$2,031
Grand total			\$109,173

(1) Direct mail of notices and notifications to employers and workers registered with MyLeave.

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 1994* and has no compliance issues or breaches to report.

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 accordance with the five year review timetable. The Review Report was submitted to the State Records Office on 2 June 2023.

National Strategic Plan for Asbestos Awareness and Management 2019-2023

The Board currently leases two premises for its business operations.

The 50 Colin Street, West Perth property owner engaged an external consultant to review existing hazardous material management documentation and conduct a site audit to then provide hazardous material management documentation that meets the requirements of the *Work Health and Safety Act 2020*. The most recent audit and report was completed in June 2023. This report noted low risk 'presumed asbestos' material in areas not accessible by staff or visitors to the Board's premises. Due to the low risk posed, the report recommends another review up to the five year review period in June 2028. The property manager is the nominated custodian of the hazardous material management plan and register.

The 503 Murray Street, Perth property owner engaged an external consultant to conduct a site audit and develop a hazardous material management plan and hazardous materials register. The most recent plan and register were developed in March 2025. The register noted no asbestos containing materials, however, some synthetic mineral fibres posing a minor risk were identified. Due to the low risk posed, the report recommends that the register be reviewed at least once every five years. The property manager's contracted facility manager is the nominated custodian of the hazardous materials management plan.

Occupational Safety, Health and Injury Management

The Board has developed an Occupational Safety and Health Manual which contains policies and procedures for all workplace related health and safety matters. The Board places high priority on the well-being and safety of its staff and confirms compliance with injury management requirements of the *Workers' Compensation and Injury Management Act 2023* (including a formal return to work plan). The reportable statistics for the year are:

Reportable Statistics				
	Results – Base Year (2022/23)	Results – Prior Year (2023/24)	Results – Current reporting year (2024/25)	Target
Number of fatalities	Zero	Zero	Zero	Zero
Lost time injury and disease incidence rate*	Zero	Zero	Zero	0 or 10% reduction in incidence rate
Lost time injury and severity rate*	Zero	Zero	Zero	0 or 10% reduction in severity rate
Percentage of injured workers returned to work (i) within 13 weeks	Not applicable	Not applicable	Not applicable	Greater than or equal to 60%
Percentage of injured workers returned to work (ii) within 26 weeks	Not applicable	Not applicable	Not applicable	Greater than or equal to 80%
Percentage of managers trained in work health and safety injury management responsibilities, including refresher training within 3 years	Zero	90%	100%	Greater than or equal to 80%

*There were no lost times injuries over the reporting period. Therefore, there are no additional comments about targets.

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.

Public Interest Disclosure

(Public Interest Disclosure Act 2003)

Information on the requirements of the *Public Interest Disclosure Act 2003* is 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.

WA Multicultural Policy Framework

A multicultural plan for the 2024/2025 financial year has not been submitted and is to be developed. In the March 2025 quarterly entity profile, the Board had 10 staff who advised they are from culturally and linguistically diverse backgrounds representing 34.5% of the workforce and exceeding the public sector target of 15.5%.

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.

Workplace Inclusiveness

MyLeave is committed to a diverse and inclusive workplace. Research shows agencies that value diversity and inclusion achieve greater staff satisfaction, better customer service outcomes, and improved decision making and performance. The workforce is more connected, motivated and productive.

As part of the most recent WA Public Sector Census, our staff were asked about their diversity, whether they had shared this with our agency and, if not, the reason for not sharing. The confidence of staff to give voice to their identities, workplace experiences and concerns is an indication of the level of workplace trust, psychological safety and inclusion. Our results showed that a majority of staff shared their diversity information. However, a detailed breakdown of diversity groups was not made available to MyLeave as the census population was too small and there were risks of identifying individual responses.

Accordingly, in the absence of detailed census insights, we were unable to identify specific actions for the agency to undertake. However, we aspire to improve diversity and inclusion through initiatives outlined in our Equal Employment Opportunity (EEO) Management Plan, which includes amongst other things:

- continuing to socialise our Code of Conduct and Anti-Bullying, Harassment and Discrimination Policy amongst our staff

- implementing our psychosocial wellbeing strategy and roadmap
- developing a Workforce Plan which incorporates suitable diversity strategies, desired outcomes and targets
- creating opportunities that result in pathways for high school age leavers to enter the workforce

Freedom of Information

(Freedom of Information Act 1992)

One Freedom of Information application was received in the 2024/2025 financial year. The application was in relation to matters managed by another government agency. The applicant decided to withdraw their application and make enquiries with the relevant agency.

Information Enquiries

Requests for access to documents should be made, in the first instance, to the Board's public counter at Level 1, 503 Murray Street Perth. Often material may be made available without the need to formalise 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.

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

FOI Coordinator
MyLeave

PO Box 1333
West Perth WA 6872

Telephone: (08) 9476 5400
Email: hi@myleave.wa.gov.au

Internal audit

In compliance with Section 53(1)(d) of the *Financial Management Act 2006* Treasurer's Instruction 10 *Internal Audit* and Treasurer's Guidance 10 *Internal Audit*, the Board has established an internal audit function to improve governance, risk management and internal controls. The role of the internal audit is contained in the Audit and Risk Committee Charter as endorsed by the Audit and Risk Committee and approved by the Board. To comply with Treasurer's Instruction 10 *Internal Audit* Requirement 1.5 *Internal Audit*, the Committee is independently chaired by a suitably qualified person who is not employed by MyLeave.

Government Policy Requirements

Government Building Contracts. At balance date, there have been no contracts subject to the Government Building Training Policy awarded.



Annual Estimates

Treasurer's Instructions (TI) 9 Requirement 3

The Minister for Industrial Relations, Hon Simone McGurk MLA, approved the following Budget Estimates for the 2025/2026 financial year on 14 April 2025 under section 41 of the *Financial Management Act 2006*.

STATEMENT OF COMPREHENSIVE INCOME	Estimate \$'000
INCOME	
Investment income	42,000
TOTAL INCOME	42,000
EXPENSES	
Employee benefits expense	(5,475)
Supplies and services	(1,845)
Depreciation and amortisation expense	(370)
Finance costs	(95)
Accommodation expenses	(183)
Other expenses	(405)
Non-recurring project expenses	(1,200)
TOTAL EXPENSES	(9,573)
NET RESULT FROM OPERATING ACTIVITIES	32,427
NET CHANGE IN ACCRUED LSL LIABILITIES	
Contribution income from employers	38,000
Long service leave payments	(51,000)
(Increase)/decrease in provision	(25,400)
NET CHANGE IN ACCRUED LSL LIABILITIES	(38,400)
TOTAL COMPREHENSIVE INCOME	(5,973)

Annual Estimates (continued)

STATEMENT OF FINANCIAL POSITION	Estimate \$000
ASSETS	
Current Assets	
Cash and cash equivalents	94,413
Receivables	1,177
Other current assets	9,375
Financial assets	566,939
Total Current Assets	671,904
Non-Current Assets	
Property, plant and equipment	186
Right-of-use assets (leased assets)	971
Total Non-Current Assets	1,157
TOTAL ASSETS	673,061
LIABILITIES	
Current Liabilities	
Accrued long service leave benefits liabilities	371,363
Payables	948
Lease liabilities	149
Employee related provisions	498
Total Current Liabilities	372,958
Non-Current Liabilities	
Accrued long service leave benefits liabilities	181,437
Lease liabilities	916
Employee related provisions	316
Total Non-Current Liabilities	182,669
TOTAL LIABILITIES	555,627
NET ASSETS	117,434
EQUITY	
Operating profit/(loss)	(5,973)
Retained earnings	123,407
TOTAL EQUITY	117,434

Annual Estimates (continued)

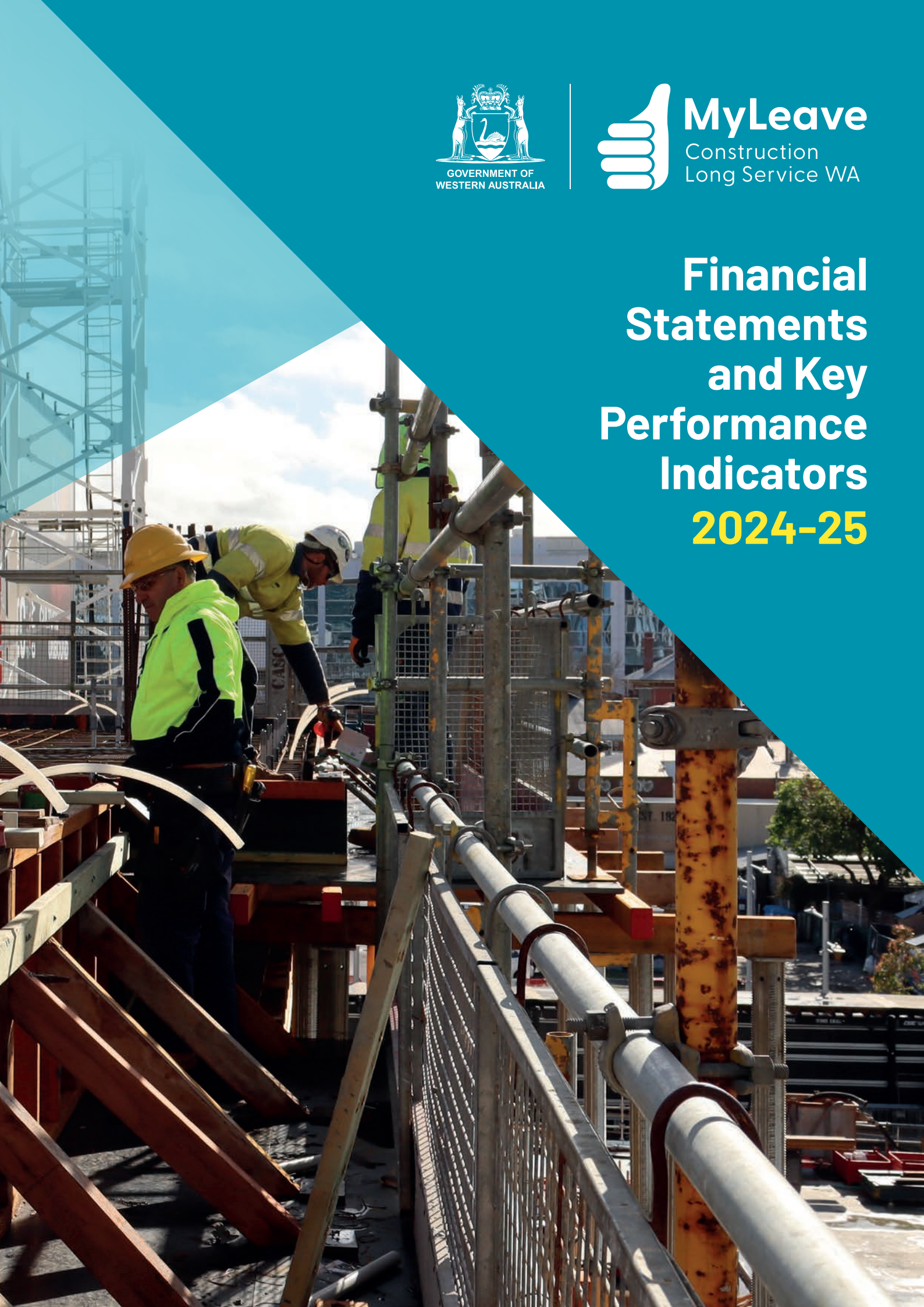
STATEMENT OF CASH FLOWS	Estimate \$000
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts	
Receipts from employers	38,000
Interest received	4,000
GST receipts from taxation authority	166
Payments	
Employee benefits	(5,475)
Supplies and services	(2,936)
Finance costs	(30)
Accommodation	(483)
Payments for long service leave	(51,000)
GST payments on purchases	(219)
Other payments	(443)
Net cash provided by/(used in) operating activities	(18,420)
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts	
Proceeds from sale of investments	18,700
Distributions received	19,000
Payments	
Purchase of financial assets	(12,000)
Purchase of non-current assets	(98)
Net cash provided by/(used in) investing activities	25,602
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal elements of lease payments	(355)
Net cash provided by/(used in) financing activities	(355)
Net increase/(decrease) in cash and cash equivalents	6,827
Cash and cash equivalents at the beginning of the period	87,586
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	94,413





MyLeave
Construction
Long Service WA

Financial Statements and Key Performance Indicators **2024-25**



Financial Statements

The Construction Industry Long Service Leave Payments Board ("the Board") has pleasure in presenting its audited general purpose financial statements for the reporting period ended 30 June 2025 which provides users with information about the Board's stewardship of resources entrusted to it. The financial information is presented in the following structure:

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Disclosures and Legal Compliance

Certification of financial statements

For the reporting period ended 30 June 2025

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 reporting period ended 30 June 2025 and the financial position as at 30 June 2025.

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



Susan Barrera
Chair

22 August 2025



Kate Schick
Member of the Board

22 August 2025



James Dew
Chief Finance Officer

22 August 2025

Statement of Comprehensive Income

For the reporting period ended 30 June 2025

	Notes	2025 (\$000)	2024 (\$000)
INCOME			
Investment income	2.1; 2.2; 2.3	68,554	61,664
Other income	2.4	7	152
TOTAL INCOME		68,561	61,816
EXPENSES			
Employee benefits expenses	3.1(a)	3,820	3,374
Supplies and services	3.2	2,429	2,615
Depreciation and amortisation expenses	4.1; 4.2	347	203
Finance costs	6.3	97	78
Accommodation expenses	3.2	504	162
Other expenses	3.2	578	264
TOTAL EXPENSES		7,775	6,696
NET RESULT FROM OPERATING ACTIVITIES		60,786	55,120
CHANGE IN ACCRUED LSL LIABILITIES			
Contribution income from employers		34,405	15,794
Long service leave payments		(46,718)	(44,532)
(Increase)/Decrease in provision		(43,823)	(48,099)
NET CHANGE IN ACCRUED LSL LIABILITIES	5.3	(56,136)	(76,837)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		4,650	(21,717)

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

Statement of Financial Position

For the reporting period ended 30 June 2025

	Notes	2025 (\$000)	2024 (\$000)
ASSETS			
Current Assets			
Cash and cash equivalents	6.4	89,183	83,020
Receivables	5.1	728	611
Other current assets	5.2	10,930	6,823
Financial assets	6.1	583,685	545,448
Total Current Assets		684,526	635,902
Non-Current Assets			
Restricted cash and cash equivalents	6.4	210	-
Property, plant and equipment	4.1	229	105
Right-of-use assets	4.2	1,422	250
Total Non-Current Assets		1,861	355
TOTAL ASSETS		686,387	636,257
LIABILITIES			
Current Liabilities			
Accrued long service leave benefits liabilities	5.3	362,923	331,062
Payables	5.4	653	647
Lease liabilities	6.2	305	223
Employee related provisions	3.1(b)	569	517
Other current liabilities	5.5	300	-
Total Current Liabilities		364,750	332,449
Non-Current Liabilities			
Accrued long service leave benefits liabilities	5.3	173,662	161,700
Lease liabilities	6.2	1,221	154
Employee related provisions	3.1(b)	463	313
Total Non-Current Liabilities		175,346	162,167
TOTAL LIABILITIES		540,096	494,616
NET ASSETS		146,291	141,641
EQUITY			
Retained earnings		146,291	141,641
TOTAL EQUITY		146,291	141,641

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

Statement of Changes in Equity

For the reporting period ended 30 June 2025

	Notes	Total equity (\$'000)
Balance at 1 July 2023		163,358
Net result from operating activities		(21,717)
Total comprehensive income for the period		(21,717)
Balance at 30 June 2024		141,641
Balance at 1 July 2024		141,641
Net result from operating activities		4,650
Total comprehensive income for the period		4,650
Balance at 30 June 2025		146,291

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

Statement of Cash Flows

For the reporting period ended 30 June 2025

	Notes	2025 (\$000)	2024 (\$000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from employers		30,155	10,759
Interest received		4,016	2,349
GST receipts from taxation authority		207	148
Payments			
Employee benefits		(3,618)	(3,264)
Supplies and services		(2,406)	(2,467)
Finance costs		(31)	(16)
Accommodation		(203)	(162)
Payments for long service leave		(46,718)	(44,532)
GST payments on purchases		(327)	(282)
Other payments		(457)	(408)
Net cash provided by/(used in) operating activities		(19,382)	(37,875)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of investments		213,626	192,403
Distributions received		23,770	19,454
Payments			
Purchase of financial assets		(211,081)	(118,194)
Purchase of non-current assets		(179)	-
Net cash provided by/(used in) investing activities		26,136	93,663
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal elements of lease payments		(381)	(236)
Net cash provided by/(used in) financing activities		(381)	(236)
Net increase/(decrease) in cash and cash equivalents		6,373	55,552
Cash and cash equivalents at the beginning of the period		83,020	27,468
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.4	89,393	83,020

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

Notes to the financial statements

For the reporting period ended 30 June 2025

1. Basis of preparation

The Construction Industry Long Service Leave Payments Board ("the Board") is established as a body corporate under the *Construction Industry Portable Paid Long Service Leave Act 1985*. The Board is not covered in the whole-of-government reporting framework as defined under the Australian Accounting Standards and/or the Government Finance Statistic ("GFS") framework. This is because the Board's assets are not available for the benefit of, and/or are not controlled by, the State. The Board is a not-for-profit entity and these financial statements have been prepared on that basis.

A description of the nature of the Board's operations and its principal activities has been included in the 'Overview' which does not form part of these financial statements. These annual financial statements were authorised for issue by the Board in its capacity as the Accountable Authority on 22 August 2025.

Statement of compliance

The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, the Conceptual Framework, and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) as modified by Treasurer's instructions. Some of these pronouncements are modified to vary their application and disclosure.

The *Financial Management Act 2006* and Treasurer's instructions, which are legislative provisions governing the preparation of financial statements for agencies, take precedence over AASB pronouncements. Where an AASB pronouncement is modified and has had a significant financial effect on the reported results, details of the modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) amount of GST incurred by the Board as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- (b) receivables and payables are stated with the amount of GST included (where applicable).

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for:

- Property, Plant and Equipment reconciliations; and
- Right-of-Use Asset reconciliations.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Notes to the financial statements

For the reporting period ended 30 June 2025

2. Our funding sources

How we obtain our funding

This section provides additional information about how the Board obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Board and the relevant notes are:

	Notes	2025 (\$000)	2024 (\$000)
Investment revenue	2.1	22,980	20,375
Analysis of gains/(losses) from investments	2.2	41,571	38,471
Interest revenue	2.3	4,003	2,818
Other income	2.4	7	152

Contribution income from employers is disclosed in note 5.3.

2.1 Investment revenue

	2025 (\$000)	2024 (\$000)
Distributions from managed funds	22,980	20,375
	22,980	20,375

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

2.2 Analysis of gains/(losses) from investments

	2025 (\$000)	2024 (\$000)
Investments realised during the period		
Securities in listed entities	12,724	3,639
Total realised gains/(losses)	12,724	3,639
Investments held at reporting date		
Fixed interest securities	3,456	1,668
Securities in listed entities	25,391	33,164
Total unrealised gains/(losses)	28,847	34,832
Net gains/(losses) from investments	41,571	38,471

Gains/losses may be realised or unrealised and are usually recognised on a net basis. These include gains/losses arising on redemptions of investments in managed funds. Financial assets (after initial recognition) are measured at fair value through profit and loss. Gains or losses on financial assets are recognised through profit and loss.

Notes to the financial statements

For the reporting period ended 30 June 2025

2.3 Interest revenue

Bank account, cash investments and term deposits interest
Total interest revenue

2025 (\$000)	2024 (\$000)
4,003	2,818
4,003	2,818

Interest revenue is recognised as the interest accrues.

2.4 Other income

Penalties awarded by WAIRC
 Right-of-use asset and liability remeasurement
 Resources received from other public sector entities
Total other income

2025 (\$000)	2024 (\$000)
-	16
-	136
7	-
7	152

Penalties awarded by WAIRC for successful prosecutions are recognised when the Board becomes entitled to receive the funds.

The right-of-use asset and liability for the Board's office accommodation lease was remeasured as at 30 June 2024 as it was no longer probable that the Board would exercise the option to extend the lease agreement beyond the initial term ending in February 2026. The balance of the remeasurement was recognised as other income. Refer to notes 4.2 'Right-of-use assets' and 6.2 'Lease liabilities' respectively.

Resources received from other public sector entities are recognised as income equivalent to the fair value of assets received, or the fair value of services received that can be reliably determined and which would have been purchased if not donated.

3. Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the Board's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Board in achieving its objectives and the relevant notes are:

	Notes	2025 (\$000)	2024 (\$000)
Employee benefits expenses	3.1(a)	3,820	3,374
Employee related provisions	3.1(b)	1,032	830
Other expenditure	3.2	3,511	3,041

3.1(a) Employee benefits expenses

	2025 (\$000)	2024 (\$000)
Employee benefits	3,441	3,034
Superannuation – defined contribution plans	379	340
Total employee benefits provided	3,820	3,374

Employee benefits include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits recognised under accounting standards other than AASB 16 (such as medical care, housing, cars and free or subsidised goods or services) for employees.

Superannuation is the amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, other GESB schemes, or other superannuation funds.

Notes to the financial statements

For the reporting period ended 30 June 2025

3.1(b) Employee related provisions

	2025 (\$000)	2024 (\$000)
Current		
<u>Employee benefits provisions</u>		
Annual leave	343	316
Long service leave	195	174
	538	490
<u>Other provisions</u>		
Employment on-costs	31	27
Total current employee related provisions	569	517
Non-current		
<u>Employee benefits provisions</u>		
Long service leave	438	297
	438	297
<u>Other provisions</u>		
Employment on-costs	25	16
Total non-current employee related provisions	463	313
Total employee related provisions	1,032	830

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current as there is no unconditional right at the end of reporting period to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is not expected to be settled wholly within 12 months after the reporting period and is accordingly calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

Long service leave liabilities are unconditional long service leave provisions and are classified as current liabilities as the Board does not have an unconditional right at the end of the reporting period to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and 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.

The provision for long service leave is calculated at present value as the Board does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement and 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.

Notes to the financial statements

For the reporting period ended 30 June 2025

3.1(b) Employee related provisions (continued)

Employment on-costs involve settlements of annual and long service leave liabilities which gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance premiums, 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 included as part of 'Other expenses, note 3.2 (apart from the unwinding of the discount [finance cost])' and are not included as part of 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

Employment on-costs provision

Carrying amount at start of period
Additional/(reversals of) provisions recognised
Carrying amount at end of period

2025 (\$000)	2024 (\$000)
43	37
13	6
56	43

Key sources of estimation uncertainty – long service leave

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 reporting period.

Several estimates and assumptions are used in calculating the Board's long service leave provision. These 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. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

Notes to the financial statements

For the reporting period ended 30 June 2025

3.2 Other expenditure

	2025 (\$000)	2024 (\$000)
Supplies and services		
Communications	174	189
Consultants and contractors	1,532	1,926
Consumables	575	357
Other supplies and services expenses	148	143
Total supplies and services expenses	2,429	2,615
Accommodation expenses		
Lease rentals	164	120
Repairs, maintenance and accommodation improvements	328	36
Light and power	6	6
Other accommodation expenses	6	-
Total accommodation expenses	504	162
Other expenses		
Board members' fees	151	151
Audit & Risk Committee fees	6	6
Payroll related expenses	196	176
Employment on-costs	41	19
Expected credit loss expense	121	(144)
Insurances	57	50
Motor vehicle expenses	6	6
Total other expenses	578	264
Total other expenditure	3,511	3,041

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Consultants and contractors expenses includes \$932,000 (2024: \$1,042,000) relating to development costs for a new Customer Relationship Management system. These costs were expensed (rather than capitalised as a work-in-progress Intangible Asset) in accordance with guidance issued by the International Financial Reporting Interpretations Committee (IFRIC) in April 2021.

Lease rental expenses include:

- i) short-term leases with a lease term of 12 months or less;
- ii) low-value leases with an underlying value of \$5,000 or less; and
- iii) variable lease payments recognised in the period in which the event or condition that triggers those payments occurs.

Repairs, maintenance and accommodation improvements costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated. The lease for office accommodation at 50 Colin Street, West Perth requires the Board to restore the premises to its original state prior to the termination of the lease. The lease expires on 28 February 2026 and accordingly, repairs, maintenance and accommodation improvements costs includes a \$300,000 provision for restoration works. Refer to note 5.5 other liabilities.

Notes to the financial statements

For the reporting period ended 30 June 2025

3.2 Other expenditure (continued)

Other accommodation expenses are recognised as expenses in the reporting period in which they are incurred.

Other expenses are recognised as expenses in the reporting period in which they are incurred.

Expected credit losses is recognised as the movement in the allowance for impairment of trade receivables. Please refer to note 5.1 movement in the allowance for impairment of receivables.

Payroll related expenses includes payroll tax and payroll preparation costs.

Employment on-costs includes other employment on costs. The on costs liability associated with the recognition of annual and long service leave liabilities is included at note 3.1(b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Notes to the financial statements

For the reporting period ended 30 June 2025

4. Key assets

Assets the Board utilises for economic benefit or service potential

This section includes information regarding the key assets the Board utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2025 (\$000)	2024 (\$000)
Property, plant and equipment	4.1	229	105
Right-of-use assets	4.2	1,422	250

4.1 Property, plant and equipment

Year ended 30 June 2025

	Furniture and fittings (\$000)	Leasehold improvements (\$000)	Office equipment (\$000)	Total (\$000)
1 July 2024				
Gross carrying amount	284	206	359	849
Accumulated depreciation	(207)	(206)	(331)	(744)
Carrying amount at start of period	77	-	28	105
Additions	129	-	49	178
Depreciation	(32)	-	(22)	(54)
Carrying amount at 30 June 2025	174	-	55	229
Reconciliation				
Gross carrying amount	413	206	408	1,027
Accumulated depreciation	(239)	(206)	(353)	(798)
Carrying amount at 30 June 2025	174	-	55	229

Initial recognition

Items of property, plant and equipment costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. 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).

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

Subsequent measurement

The cost model is applied for subsequent measurement of property, plant and equipment, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses.

Notes to the financial statements

For the reporting period ended 30 June 2025

4.1 Property, plant and equipment (continued)

Useful lives

All property, plant and equipment 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 is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life: years
Leasehold improvements	5 years
Furniture and fittings	10 years
Office equipment	3 to 5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments are made where appropriate.

Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. 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 its recoverable amount, an impairment loss is recognised through profit or loss.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, 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 the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

As at 30 June 2025, there were no indications of impairment to property, plant and equipment.

Notes to the financial statements

For the reporting period ended 30 June 2025

4.2 Right-of-use assets

Year ended 30 June 2025

	Office Accommodation (\$000)	Motor Vehicles (\$000)	IT Equipment (\$000)	Total (\$000)
Carrying amount at beginning of period	235	6	9	250
Additions	1,465	-	-	1,465
Depreciation	(281)	(3)	(9)	(293)
Net carrying amount as at end of period	1,419	3	-	1,422

The Board has leases for office accommodation and motor vehicles. The Board also had an IT equipment lease, however, the lease expired in April 2025.

The Board currently has two leases for office accommodation. Both leases are non-cancellable leases.

The first lease is for office accommodation in West Perth. The carrying amount was remeasured and adjusted as at 30 June 2024 as it was no longer probable that the Board would exercise the option to extend the lease agreement beyond the initial term ending in February 2026. The balance of the remeasurement, after adjusting the corresponding lease liability, was recognised as other income (refer to note 2.4).

The second lease is for office accommodation in Perth. This lease has a seven-year term with no extension options. The lease commenced on 1 November 2024 and rent is payable monthly in advance. Contingent rent provisions within the lease agreement requires that the rent is increased by 3.75% per annum for the duration of the lease. The carrying amount was measured as at the commencement date.

The motor vehicle lease is generally considered non-cancellable and it is assumed that the lease will continue for the assigned lease term. The scheduled termination of the lease is 15 May 2027.

The IT equipment lease was considered non-cancellable as it was assumed that the lease would continue for the assigned lease term.

Initial recognition

At the commencement date of the lease, the Board recognises right-of-use assets and a corresponding lease liability for most leases. The right-of-use assets are measured at cost comprising of:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs, including dismantling and removing the underlying asset.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.2.

The Board has elected not to recognise right-of-use assets and lease liabilities for short term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent Measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Notes to the financial statements

For the reporting period ended 30 June 2025

4.2 Right-of-use assets (continued)

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Board at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.

5. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Board's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2025 (\$000)	2024 (\$000)
Receivables	5.1	728	611
Other assets	5.2	10,930	6,823
Accrued long service leave benefits liabilities	5.3	536,585	492,762
Payables	5.4	653	647
Other liabilities	5.5	300	-

5.1 Receivables

	2025 (\$000)	2024 (\$000)
Current		
Employer debtors	773	634
Allowance for impairment of employer debtors	(139)	(127)
Other debtors	94	104
Total receivables	728	611

Employer debtors are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

Allowance for impairment of employer debtors is measured at the lifetime expected credit losses at each reporting date, that is based on the Board's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Individual receivables are written off when the Board has no reasonable expectations of recovering the cash flows. Please refer to note 3.2 for the amount of expected credit losses expensed in this financial year.

Notes to the financial statements

For the reporting period ended 30 June 2025

5.2 Other assets

	2025 (\$000)	2024 (\$000)
Current		
Accrued contributions	9,877	5,984
Prepayments	597	370
Accrued term deposit interest	456	469
Balance at end of period	10,930	6,823

Accrued contributions: 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 2025 have been accrued.

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

5.3 Accrued long service leave benefits liability

	2025 (\$000)	2024 (\$000)
Opening balance	492,762	444,663
Increase/(decrease) in provision	43,823	48,099
Balance at end of period	536,585	492,762
Contribution income from employers	34,405	15,794
Long service leave payments	(46,718)	(44,532)
Net change in accrued LSL liabilities	52,802	43,888
Net change in retrospective application of statutory interpretations	2,193	20,000
Net change in prospective application of statutory interpretations	1,141	12,949
Increase/(decrease) in provision	43,823	48,099

The total net change in accrued LSL liabilities in the Statement of Comprehensive Income (\$56,136,000) comprises the net change in accrued LSL liabilities (\$52,802,000), net change in retrospective application of statutory interpretations (\$2,193,000) and net change in prospective application of statutory interpretations (\$1,141,000).

	2025 (\$000)	2024 (\$000)
The liability is allocated as follows:		
Current		
Accrued long service leave benefits liability	331,397	302,542
Provision for retrospective application of statutory interpretations	22,193	20,000
Provision for prospective application of statutory interpretations	9,333	8,520
Current sub-total	362,923	331,062
Non-current		
Accrued long service leave benefits liability	168,905	157,271
Provision for prospective application of statutory interpretations	4,757	4,429
Non-current sub-total	173,662	161,700
Total accrued long service leave benefits liability	536,585	492,762

Notes to the financial statements

For the reporting period ended 30 June 2025

5.3 Accrued long service leave benefits liability (continued)

Accrued Long Service Leave Benefit Liabilities

The Board recognises the portable long service leave benefits liability under *AASB 137 Provisions, Contingent Liabilities and Contingent Assets* as a provision as it is a liability of uncertain timing or amount and the Board satisfies the below conditions:

- a) it has a present obligation as a result of a past event;
- b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) a reliable estimate can be made of the amount of the obligation.

The Board engaged a qualified actuary (am actuaries) to measure the accrued long service leave benefit liabilities. The liability for accounting and financial reporting purposes is measured in accordance with *AASB 119 Employee Benefits* and Practice Guideline 3 of the Institute of Actuaries Australia "Actuarial Practice in Relation to AASB 119 Employee Benefits".

The actuarial valuation of long service leave benefit liabilities reflects the actuary's assessment of the benefits accrued up to the reporting date and payable to registered workers. The expected future payments are discounted based on assessments of the Commonwealth bond rate at an appropriate period. The selected discount instrument is aligned with *AASB 119* paragraph Aus83.1 which notes that in respect of not-for-profit public sector entities, benefit obligations denominated in Australian currency shall be discounted using market yields on government bonds. The duration of the selected discount instrument is (generally) similar to the vesting period for a long service leave entitlement. The liability is calculated by the actuary using an actuarial valuation method that takes into account a range of assumptions.

The accrued portable long service leave benefit is classified as a current liability in the balance sheet where the Board does not have an unconditional right to defer the settlement of the liability for at least 12 months. Conversely, the remaining balance of the liability is classified as non-current in the balance sheet.

Notes to the financial statements

For the reporting period ended 30 June 2025

5.3 Accrued long service leave benefits liability (continued)

The key assumptions used to determine the values of accrued long service leave benefits were:

2025				
Rate of workers' future pay increases *	5.0% per annum. Apprentices further subject to minimum rates for award free apprentices published by DEMIRS (DLGIRS from 1 July 2025)			
Discount rate	Forward rates implied by government bond yields. Weighted average rate of 4.5% per annum based on the discounted mean term of liabilities of 8.8 years			
Years Since Registration	Termination Rate		Participation Rate	
	Workers	Apprentices	Workers	Apprentices
Less than 1	7.4%	4.4%	50.0%	100%
1	29.2%	7.8%	25.0%	100%
2	34.0%	13.4%	26.0%	100%
3	22.0%	22.1%	37.0%	100%
4	18.8%	34.1%	50.0%	50.0%
5	16.4%	48.6%	60.0%	60.0%
6	14.5%	17.4%	65.0%	65.0%
7	13.0%	13.0%	67.5%	67.5%
8	11.8%	11.8%	70.0%	70.0%
9	10.8%	10.8%	75.0%	75.0%
10	9.9%	9.9%	80.0%	80.0%
11	9.2%	9.2%	80.0%	80.0%
12	8.5%	8.5%	80.0%	80.0%
13	7.9%	7.9%	80.0%	80.0%
14	7.5%	7.5%	80.0%	80.0%
15 to 29	7.0%	7.0%	80.0%	80.0%
30 or more	6.6%	6.6%	80.0%	80.0%

2024				
Rate of workers' future pay increases *	6.0% for one year, 5.0% per annum thereafter. Apprentices further subject to minimum rates for award free apprentices published by DEMIRS			
Discount rate	Forward rates implied by government bond yields. Weighted average rate of 4.6% per annum based on the discounted mean term of liabilities of 9.0 years			
Years Since Registration	Termination Rate		Participation Rate	
	Workers	Apprentices	Workers	Apprentices
Less than 1	7.4%	4.4%	50.0%	100%
1	29.2%	7.8%	25.0%	100%
2	34.0%	13.4%	26.0%	100%
3	22.0%	22.1%	37.0%	100%
4	18.8%	34.1%	50.0%	50.0%
5	16.4%	48.6%	60.0%	60.0%
6	14.5%	17.4%	65.0%	65.0%
7	13.0%	13.0%	67.5%	67.5%
8	11.8%	11.8%	70.0%	70.0%
9	10.8%	10.8%	75.0%	75.0%
10	9.9%	9.9%	80.0%	80.0%
11	9.2%	9.2%	80.0%	80.0%
12	8.5%	8.5%	80.0%	80.0%
13	7.9%	7.9%	80.0%	80.0%
14	7.5%	7.5%	80.0%	80.0%
15 to 29	7.0%	7.0%	80.0%	80.0%
30 or more	6.6%	6.6%	80.0%	80.0%

* The rate of workers' future pay increases assumption is based on the actuary's long-term economic forecasts for future increases in construction industry salaries and wages and has been discussed with management.

Notes to the financial statements

For the reporting period ended 30 June 2025

5.3 Accrued long service leave benefits liability (continued)

The actuary also uses sensitivity analysis to monitor the potential impact of changes to key variables about which assumptions need to be made. The actuary has identified four assumptions for which changes are reasonably possible that would have a significant impact on the amount (accounting value) of the accrued long service leave benefit liabilities:

- (i) Discount rate (bond yield);
- (ii) Pay inflation;
- (iii) Participation rate; and
- (iv) Termination rate.

The following are sensitivity calculations on a univariate basis for the discount rate, pay inflation, participation rate and termination rate assumptions, in aggregate:

Assumption	Reporting period	Assumed at reporting date	Reasonably possible change	Increase/(Decrease) in accrued long service leave benefit liabilities \$'000
Discount rate	2025:	4.5%	+1.0% / -1.0%	(38,738) / 46,096
	2024:	4.6%	+1.0% / -1.0%	(36,140) / 43,229
Pay inflation	2025:	5.0%	+1.0% / -1.0%	45,317 / (38,809)
	2024:	6.0% in FY25, 5.0% pa thereafter	+1.0% / -1.0%	42,494 / (36,218)
Participation rate	2025:	Various depending on years since registration & classification	+5.0% / -5.0%	2,601 / (2,775)
	2024:	Various depending on years since registration & classification	+5.0% / -5.0%	2,319 / (2,393)
Termination rate	2025:	Various depending on years since registration & classification	-5.0% / +5.0% (remaining in Scheme)	(27,909) / 27,973
	2024:	Various depending on years since registration & classification	-5.0% / +5.0% (remaining in Scheme)	(28,062) / 32,138

The Board has a number of measures in place to manage risks associated with the Board's funding position, including the establishment of suitable funding objectives. These funding objectives and the Board's circumstances are taken into account by the actuary when recommending the required employer contribution rates.

Notes to the financial statements

For the reporting period ended 30 June 2025

5.3 Accrued long service leave benefits liability (continued)

Accordingly, the Board and the Board's actuary continue to monitor the funding position on a regular basis and the Board takes information into account annually when setting the contribution levy. Given the accounting ratio (total assets divided by total liabilities) is currently within the target range of 110% to 130% at 127% (including the provision for revised application of statutory interpretations), the actuary does not have any reason to believe that the Board will not continue to meet funding commitments in the short term. However, scenario testing shows that the Board's long term funding position is sensitive to changes in investment returns, discount rates, pay inflation and termination rates, with the outlook for each being uncertain. As indicated above, the Board has the ability to adjust the contribution levy to accommodate investment return fluctuations.

The actuary stated that the Board had a positive funding position as at 30 June 2025 (2024: positive funding position) measured by the coverage of benefits by assets.

The accrued long service leave benefit liabilities have changed in the current financial year as a result of contribution income from employers, long service leave payments and gains and losses relative to the actuarial assumptions adopted.

Vested Benefits

Vested benefits are benefits which are not conditional upon continued participation of registered workers and include benefits where registered workers were entitled to a long service leave claim at the reporting date. An unconditional entitlement exists once registered workers have completed the requisite period of service, equal to 1,540 service days (equivalent to 7 years of accumulated employment). The face value of vested benefits attributable to registered workers at 30 June 2025, before allowance for inflation and discounting, is \$317,791,000 (2024: \$289,443,000).

Contributions from Employers

Contributions from employers are due at the end of each 3-month period. Per AASB 1056 *Superannuation Entities*, the annual employer contributions are vested in the workers, however, these are not payable to the workers on demand as workers have to complete a requisite period of service before they can claim a payment. The completion of the service period by the workers is outside the control of the Board and on receipt of contributions from employers, an obligation to pay cash arises.

Analogous to AASB 1056, the contributions increase the liabilities of the Board and the benefits payments reduce those liabilities. Accordingly, they are not in the nature of revenue and expenses (respectively). The obligation of the Board to make a payment to a registered worker after completion of the requisite period of service gives rise to a provision which will become an unconditional financial liability when 1,540 service days have accumulated (equivalent to 7 years of accumulated employment).

Provision for Revised Application of Statutory Interpretations

The Board has undertaken a review of some statutory interpretations, and this will impact contributions made by employers and entitlements for workers.

The Board has engaged external consultants to model the retrospective financial impact of the change in statutory interpretations, particularly in relation to the entitlements for workers. A provision equal to \$22.193 million (2024: \$20.000 million) has been recognised in the current accrued long service leave benefits liability as an estimate for potential retrospective application of statutory interpretations.

When measuring the accrued long service leave benefits liability as at 30 June 2025, the actuary has also considered prospective financial impacts relating to the revised application of statutory interpretations. The modelling undertaken by the external consultant for the retrospective financial impact was used by the actuary in their assessment. Accordingly, a provision equal to \$14.090 million (2024: \$12.949 million) has been recognised in the current and non-current accrued long service leave benefits liability as an estimate for prospective application of statutory interpretations.

Although assumptions have been made in conformity with what is believed to be the likely future experience of the revised application of statutory interpretations, the experience may differ from the estimates. Such variances are to be expected when determining estimates for future liabilities.

Notes to the financial statements

For the reporting period ended 30 June 2025

5.4 Payables

	2025 (\$000)	2024 (\$000)
Current		
Trade payables	434	341
Accrued salaries and superannuation	128	90
Accrued expenses	91	216
Balance at end of period	653	647

Payables are recognised at the amounts payable when the Board becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value as settlement is generally within 20 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. The Board considers the carrying amount of accrued salaries to be equivalent to its fair value.

5.5 Other liabilities

	2025 (\$000)	2024 (\$000)
Current		
Provision for restoration of leased office accommodation	300	-
Balance at end of period	300	-

The lease for office accommodation at 50 Colin Street, West Perth requires the Board to restore the premises to its original state prior to the termination of the lease. The lease expires on 28 February 2026 and accordingly, it is estimated that \$300,000 will be spent in the next reporting period on restoration works.

Notes to the financial statements

For the reporting period ended 30 June 2025

6. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Board.

	Notes
Financial assets	6.1
Lease liabilities	6.2
Finance costs	6.3
Cash and cash equivalents	6.4
Capital commitments	6.5

6.1 Financial assets

	2025 (\$000)	2024 (\$000)
At valuation:		
1. First Rate Cash	33,953	12,667
2. First Sentier Wholesale Strategic Cash	44,361	47,785
3. Western Asset Australian Bond Fund	22,901	22,372
4. PIMCO Wholesale Global Bond Fund	24,251	23,037
5. Macquarie Income Opportunity Fund	24,165	23,145
6. UBS Wholesale Diversified Fixed Income Fund	24,714	23,020
7. Vanguard Australian Shares Index Fund	100,280	114,787
8. State Street SPDR S&P/ASX 200 Index Fund	66,308	-
9. Core Equity Portfolio	-	56,802
10. Celeste Australian Smaller Companies Fund	-	18,399
11. Vanguard International Share Index Fund (Hedged)	55,313	54,027
12. Vanguard International Share Index Fund	113,840	124,966
13. iShares S&P 500 Index Fund	46,776	-
14. iShares S&P 500 Index Fund (Hedged)	20,759	-
15. MFS Global Equity Fund (Unhedged)	-	5,199
16. Macquarie Wholesale Global Listed Real Estate Fund	-	6,254
17. ClearBridge RARE Infrastructure Value Fund (Hedged)	-	6,134
	577,621	538,594
Accrued distributions	6,064	6,854
Total financial assets	583,685	545,448

Investments and other financial assets

The Board classifies its investments as financial assets at fair value through profit and loss. 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 reporting period ended 30 June 2025

6.1 Financial assets (continued)

Financial assets at fair value through profit and loss comprises principally marketable units and shares in managed investment funds.

As outlined at note 7.1 Financial Instruments, after initial recognition, financial assets are measured at fair value through profit and loss. Gains or losses on financial assets are recognised through profit and loss. The fair value of quoted investments are based on current bid prices at reporting date.

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 also directly holds term deposits. The term deposits have maturities of 3 months and accordingly, these funds are classified as 'cash and cash equivalents' in the balance sheet (refer to note 6.4).

6.2 Lease liabilities

	2025 (\$000)	2024 (\$000)
Not later than one year	305	223
Later than one year and not later than five years	845	154
Later than five years	376	-
	1,526	377
Current	305	223
Non-current	1,221	154
	1,526	377

Initial measurement

At the commencement date, the Board recognises lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Board uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the Board as part of the present value calculation of lease liability include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options (where these are reasonably certain to be exercised);
- payments for penalties for terminating a lease, where the lease term reflects the Board exercising an option to terminate the lease; and
- periods covered by extension or termination options are only included in the lease term by the Board if the lease is reasonably certain to be extended (or not terminated).

Notes to the financial statements

For the reporting period ended 30 June 2025

6.2 Lease liabilities (continued)

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales, an index or a rate, are recognised by the Board in profit or loss in the period in which the condition that triggers those payments occurs.

Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

This section should be read in conjunction with note 4.2 Right-of-use Assets.

The right-of-use asset and liability for the Board's office accommodation lease was remeasured as at 30 June 2024 as it was no longer probable that the Board would exercise the option to extend the lease agreement beyond the initial term ending in February 2026. The balance of the remeasurement adjustment was recognised as other income (refer to note 2.4).

	2025 (\$000)	2024 (\$000)
Lease expenses recognised in the Statement of Comprehensive Income		
Lease interest expense	66	61
Total lease expense	66	61

Low-value leases with an underlying value of \$5,000 or less are recognised on a straight-line basis.

6.3 Finance costs

	2025 (\$000)	2024 (\$000)
Finance costs		
Interest expense on lease liabilities	66	61
Bank fees	31	17
Finance costs expensed	97	78

Finance costs includes bank fees relating to charges on bank accounts held by the Board and the interest component of lease liability repayments.

Notes to the financial statements

For the reporting period ended 30 June 2025

6.4 Cash and cash equivalents

	2025 (\$000)	2024 (\$000)
Cash and cash equivalents	89,183	83,020
Restricted cash and cash equivalents	210	-
Balance at end of period	89,393	83,020

Cash and cash equivalents	2025 (\$000)	2024 (\$000)
Current		
Bankwest Cash Accounts	-	32
Commonwealth Bank Cash Accounts	2,431	6,449
First Wrap Plus Cash Account	6,418	95
Term Deposits (3 month maturities)	80,334	76,444
	89,183	83,020

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.

Restricted cash and cash equivalents	2025 (\$000)	2024 (\$000)
Non-current		
Bank guarantee	210	-
	210	-

The terms of the lease for office accommodation at 503 Murray Street Perth require an unconditional and irrevocable bank guarantee in favour of the landlord for an amount equal to \$210,000 for the duration of the lease. This amount is held in escrow at Commonwealth Bank of Australia and acts as security for the payment of rent and outgoings payable by the Board under the lease. The bank guarantee will be revoked when the lease expires on 31 October 2031.

6.5 Capital commitments

There were no outstanding capital commitments in the 2025 reporting period (2024: nil)

Notes to the financial statements

For the reporting period ended 30 June 2025

7. Financial instruments and contingencies

This note sets out the key risk management policies and measurement techniques of the Board.

	Notes
Financial instruments	7.1
Contingent assets and liabilities	7.2

7.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	Notes	2025 (\$000)	2024 (\$000)
<u>Financial assets</u>			
Cash and cash equivalents	6.4	89,183	83,020
Restricted cash and cash equivalents	6.4	210	-
Receivables ^(a)	5.1	728	611
Other assets	5.2	10,333	6,453
Financial assets	6.1	583,685	545,448
Total financial assets		684,139	635,532
<u>Financial liabilities</u>			
Financial liabilities ^(b)	5.4, 5.5, 6.2	2,479	1,024
Total financial liabilities		2,479	1,024

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

(b) The amount of financial liabilities excludes GST payable to the ATO (statutory payable).

Financial Instruments

Recognition, initial measurement and de-recognition

Financial assets and liabilities are recognised when the Board becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

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 financial assets are based on current bid prices.

Notes to the financial statements

For the reporting period ended 30 June 2025

7.1 Financial instruments (continued)

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost; or
- fair value through profit or loss (FVPL).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within income or expenses respectively.

Classifications of financial assets are determined by both:

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial assets.

The Board does not have financial assets at FVOCI or debt instruments at FVOCI.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Board's cash and cash equivalents, related party receivables, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss

For financial assets not measured at amortised cost, subsequent movements in fair value are recognised in the profit or loss. Dividends and distributions from these investments are recorded as income within the profit or loss unless the dividend clearly represents return of capital.

Notes to the financial statements

For the reporting period ended 30 June 2025

7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

7.2.1 Contingent assets

The Board is not aware of any contingent assets existing as at 30 June 2025.

7.2.2 Contingent liabilities

During the prior reporting period, the Board completed a review of some statutory interpretations which could have affected entitlements for workers and contributions made by employers.

The Board determined that there was an obligation to apply revised statutory interpretations affecting worker entitlements. As at 30 June 2024, a provision for \$20 million was recognised for retrospective application of the revised ordinary pay interpretation. Additionally, the actuary considered the prospective application of the revised statutory interpretation when measuring the accrued long service leave benefits liability as at 30 June 2024 and included a \$12.9 million provision. Refer to Note 5.3 Accrued long service leave benefits liability for additional information.

During the current reporting period, the actuary re-considered both the retrospective and prospective applications of the revised statutory interpretation when measuring the accrued long service leave benefits liability as at 30 June 2025. A provision for \$22.2 million for retrospective application of the revised ordinary pay interpretation has been recognised. Similarly, a \$14.1 million provision for prospective application of the revised statutory interpretation has been recognised. Refer to Note 5.3 Accrued long service leave benefits liability for additional information.

As a result of the revised statutory interpretation there is a potential underpayment of contribution levies by employers estimated at \$7.5 million over a statutory limitation period of six years under the *Limitation Act 2005*. In November 2024, the Minister for Industrial Relations, with the prior approval of the Treasurer, approved the write-off of the potential unrecovered employer contributions in accordance with section 48(4) of the *Financial Management Act 2006* as it was deemed uneconomical to pursue recovery. As at 30 June 2025, the contributions have not been invoiced or otherwise made legally payable by employers and no receivable or contributions income has been recognised in the financial statements. Refer note 8.8(a) Supplementary financial information write-offs for further information.

The Board is not aware of any contingent liabilities existing as at 30 June 2025.

Notes to the financial statements

For the reporting period ended 30 June 2025

8. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	8.1
Changes in accounting policy	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Remuneration of auditors	8.7
Supplementary financial information	8.8
Explanatory statement	8.9

8.1 Events occurring after the end of the reporting period

There were no events occurring after the end of the reporting period that warrant disclosure.

8.2 Changes in accounting policy

The following standards are operative for reporting periods ended on or after 30 June 2025:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current;
- AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback;
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants;
- AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities;
- AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements;
- AASB 2023-3 Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier 2;
- AASB 2024-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements: Tier 2 Disclosures.

The standards effective after 1 July 2025 are not expected to have a material impact on the Board's accounts.

Notes to the financial statements

For the reporting period ended 30 June 2025

8.3 Key management personnel

The Board has determined key management personnel to include cabinet ministers, members of the accountable authority (the Board) and senior officers of the Board. The Board does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for members of the accountable authority (Board) for the reporting period are presented within the following bands:

Compensation of members of the accountable authority

Compensation band (\$)	2025	2024
0 – 10,000	2	4
10,001 – 20,000	1	-
20,001 – 30,000	4	4
40,001 – 50,000	1	1
	2025	2024
	(\$000)	(\$000)
Total compensation of members of the accountable authority	151	151

One Board position was vacant at the commencement of the reporting period. A Board member's term expired in September 2024. The Minister re-appointed one Board member for a subsequent three-year term and appointed a new Board member to the other vacant position. However, the new Board member resigned upon their election to Parliament in March 2025 and accordingly, the position is again vacant at balance date.

Total compensation includes the superannuation expense incurred by the Board in respect of members of the accountable authority.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Board for the reporting period are presented within the following bands:

Compensation of senior officers

Compensation band (\$)	2025	2024
50,001 – 100,000	1	-
150,001 – 200,000	-	3
200,001 – 250,000	3	-
250,001 – 300,000	-	1
300,001 – 350,000	1	-
	2025	2024
	(\$000)	(\$000)
Short term employee benefits	874	721
Post employment benefits	113	94
Other long term benefits	42	24
Total compensation of senior officers	1,029	839

Total compensation includes the superannuation expense incurred by the Board in respect of senior officers.

Notes to the financial statements

For the reporting period ended 30 June 2025

8.4 Related party transactions

The Construction Industry Long Service Leave Payments Board is a Western Australian statutory authority established to administer a portable long service leave scheme for Western Australian construction industry workers. In conducting its activities, the Board is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to the State.

Related parties of the Board include:

- all Board members and their close family members, and their controlled or jointly controlled entities;
- all senior officers of the Board and their close family members, and their controlled or jointly controlled entities; and
- the Government Employees Superannuation Board (GESB).

Material transactions with related parties

Outside of normal citizen type transactions with the Board, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

8.5 Related bodies

The Board does not have any related bodies.

8.6 Affiliated bodies

The Board does not have any affiliated bodies.

8.7 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2025 (\$000)	2024 (\$000)
Auditing the accounts, financial statements, controls, and key performance indicators	40	37

8.8 Supplementary financial information

(a) Write-offs

	2025 (\$000)	2024 (\$000)
The accountable authority	122	57
The Minister	7,500	-
	7,622	57

During the financial year, \$122,000 (2024: \$57,000) was written off the Board's receivables ledger under the authority of the accountable authority (the Board).

Notes to the financial statements

For the reporting period ended 30 June 2025

8.8 Supplementary financial information (continued)

Additionally, during the financial year, \$7,500,000 (2024: nil) was written off under the authority of the Minister for Industrial Relations, with the prior approval of the Treasurer, in accordance with section 48 (4) of the *Financial Management Act 2006*. The write off relates to potential employer contributions classified as unrecovered revenue due to the Board's revised statutory interpretation of ordinary pay. As at 30 June 2025, the contributions have not been invoiced or otherwise made legally payable by employers and no receivable or contributions income has been recognised in the financial statements. Refer to note 7.2.2 Contingent liabilities for further information.

(b) Losses through theft, defaults and other causes

	2025 (\$000)	2024 (\$000)
Losses of public money, other money and public and toehr property through theft or default	8	-
Total Losses	8	-
Amounts recovered	(1)	-
Net losses	7	-

During the reporting period, a registered worker's email was compromised and a long service leave payment was made to a third party. The cyber incident was reported to the Australian Cyber Security Centre.

(c) Gifts of public property

There were no gifts of public property provided by the Board during the 2025 reporting period (2024: nil).

8.9 Explanatory statement (Controlled Operations)

This explanatory section explains variations in the financial performance of the Board undertaking transactions under its own control, as represented by the primary financial statements.

All variances between annual estimates (original budget) and actual results for 2025, and between the actual results for 2025 and 2024 are shown below.

Narratives are provided for major variances which are more than 10% of the comparative and which are more than 1% of the following (as appropriate):

1) Estimate and actual results for the current year:

- Total Expenses of the annual estimates for the Statement of Comprehensive Income and Statement of Cash Flows (i.e. 1% of \$9,268,000), and
- Total Assets of the annual estimates for the Statement of Financial Position (i.e. 1% of \$621,447,000).

2) Actual results between the current year and the previous year:

- Total Expenses of the previous year for the Statement of Comprehensive Income and Statement of Cash Flows (i.e. 1% of \$6,696,000), and
- Total Assets of the previous year for the Statement of Financial Position (i.e. 1% of \$636,257,000).

Notes to the financial statements

For the reporting period ended 30 June 2025

8.9.1 Statement of Comprehensive Income Variances

	Variance note	Estimate 2025	Actual 2025	Actual 2024	Variance between actual and estimate	Variance between actual results for 2025 and 2024
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<u>Income</u>						
Investment income/(loss)	(1),(a)	33,000	68,554	61,664	35,554	6,890
Other income	(b)	-	7	152	7	(145)
Total income/(loss)		33,000	68,561	61,816	35,561	6,745
<u>Expenses</u>						
Employee benefits expenses	(2),(c)	5,322	3,820	3,374	(1,502)	446
Supplies and services	(3)	2,845	2,429	2,615	(416)	(186)
Depreciation and amortisation expenses	(d)	354	347	203	(7)	144
Finance costs		84	97	78	13	19
Accommodation expenses	(4),(e)	216	504	162	288	342
Other expenses	(5),(f)	447	578	264	131	314
Total expenses		9,268	7,775	6,696	(1,493)	1,079
NET RESULT FROM OPERATING ACTIVITIES		23,732	60,786	55,120	37,054	5,666
CHANGE IN ACCRUED LSL LIABILITIES						
Contribution income from employers		24,000	34,405	15,794	10,405	18,611
Long service leave payments		(49,000)	(46,718)	(44,532)	2,282	(2,186)
(Increase)/Decrease in provision		(18,700)	(43,823)	(48,099)	(25,123)	4,276
ACCRUED LSL LIABILITIES	(6),(g)	(43,700)	(56,136)	(76,837)	(12,436)	20,701
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD		(19,968)	4,650	(21,717)	24,618	26,367

Notes to the financial statements

For the reporting period ended 30 June 2025

8.9.1 Statement of Comprehensive Income Variances (continued)

Major Estimate and Actual (2025) Variance Narratives:

- (1) Investment income exceeded estimates by \$35.554 million (107.7%) due to strong domestic and international market returns. The actual investment return was a gain of 10.8%, significantly outperforming the estimated return of 5.5%.
- (2) Employee benefits expenses were under estimates by \$1.502 million (28.2%). The estimates included a provision for additional resources for a project relating to the revised application of statutory interpretations. As at 30 June 2025, only some of the additional resources had been appointed to the project team.
- (3) Supplies and services expenses were under estimates by \$416,000 (14.6%) due to underspends in non-recurring expenses including CRM enhancement costs and the development of a new records management system (combined underspend \$300,000). Additionally, the following recurrent expenditure categories were also underspent during the reporting period: legal expenses (\$133,000) and consultants and contractors fees (\$331,000).
- (4) Accommodation expenses exceeded estimates by \$288,000 (133.3%) predominantly due to the recognition of a \$300,000 provision as at 30 June 2025 for restoration (i.e. make-good) of leased office accommodation at 50 Colin Street, West Perth to its original condition in accordance with the requirements of the lease.
- (5) Other expenses exceeded estimates by \$131,000 (29.3%). The estimates classified payroll tax (\$188,000) as an employee benefits expense, however, it is treated as an other expense for the benefit of these financial statements. Additionally, the estimates included a doubtful debts expense equal to \$200,000, however, the actual result was only \$121,000.
- (6) Net change in accrued LSL liabilities exceeded estimates by \$12.436 million (28.5%) due to a number of factors. Total contribution income from employers was significantly higher than expected as a result of an increase in the contribution levy rate from 0.5% to 0.75% effective 1 January 2025 as well as escalating industry wages. The actuary's assessment of the LSL liabilities was higher than estimates, principally due to an increase in the average rate of pay and an increase in the number of workers. Finally, the actual net change in accrued LSL liabilities includes a \$22.193 million provision for retrospective application of revised statutory interpretations as well as a \$14.090 million provision for prospective application of revised statutory interpretations.

Major Actual (2025) and Comparative (2024) Variance Narratives:

- (a) Investment income increased by \$6.890 million (11.2%) due to strong domestic and international markets resulting in higher levels of distributions from managed funds, interest income and gains from investments.
- (b) Other income decreased by \$145,000 (95.4%). The prior year result included a remeasurement of right-of-use office accommodation lease assets and liabilities and the recognition of penalties awarded by WAIRC for successful prosecutions. No income was recognised from these sources in the current reporting period.
- (c) Employee benefits expenses increased by \$446,000 (13.2%). FTE comparatively increased by 3.0 during the current reporting period due to the creation of new positions and a temporary increase in fraction for an existing staff member. Additionally, the use of temporary staffing resources to backfill vacancies and add temporary capacity to the Operations team was higher than the prior reporting period. Finally, employee benefits expenses were comparatively higher due to 5 per cent salaries escalation in accordance with the new *Public Sector CSA Agreement 2024*.

Notes to the financial statements

For the reporting period ended 30 June 2025

8.9.1 Statement of Comprehensive Income Variances (continued)

- (d) Depreciation and amortisation expenses increased by \$144,000 (70.9%) predominantly due to the commencement of a new lease for office accommodation at 503 Murray Street, Perth.
- (e) Accommodation expenses increased by \$342,000 (211.1%) predominantly due to the recognition of a \$300,000 provision as at 30 June 2025 for restoration (i.e. make-good) of office accommodation at 50 Colin Street, West Perth to its original condition as per lease requirements. The Board also incurred some project management costs relating to the fit-out of the new office accommodation at 503 Murray Street, Perth.
- (f) Other expenses increased by \$314,000 (118.9%) predominantly due to a higher level of doubtful debts (\$264,000), employment on-cost (\$22,000) payroll tax (\$19,000) and insurance (\$7,000) expenses.
- (g) Net change in accrued LSL liabilities decreased by \$20.701 million (26.9%) due to a number of factors. Although total contribution income was higher than the prior year comparative as a result of the increase in the contribution levy from 0.5% to 0.75%, payments to workers were also moderately higher. The balance movement of \$43.823 million was the result of the actuary's assessment of the LSL liabilities as at 30 June 2025, including the provisions for retrospective and prospective application of revised statutory interpretations.

Notes to the financial statements

For the reporting period ended 30 June 2025

8.9.2 Statement of Financial Position Variances

	Variance note	Estimate 2025	Actual 2025	Actual 2024	Variance between actual and estimate	Variance between actual results for 2025 and 2024
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
ASSETS						
<u>Current Assets</u>						
Cash and cash equivalents		86,434	89,183	83,020	2,749	6,163
Receivables		486	728	611	242	117
Other current assets		6,300	10,930	6,823	4,630	4,107
Financial assets	(1)	527,055	583,685	545,448	56,630	38,237
Total Current Assets		620,275	684,526	635,902	64,251	48,624
<u>Non-Current Assets</u>						
Restricted cash and cash equivalents		-	210	-	210	210
Property, plant and equipment		148	229	105	81	124
Right-of-use assets		1,023	1,422	250	399	1,172
Total Non-Current Assets		1,171	1,861	355	690	1,506
TOTAL ASSETS		621,447	686,387	636,257	64,940	50,130
LIABILITIES						
<u>Current Liabilities</u>						
Accrued long service leave benefits liabilities	(2),(a)	367,132	362,923	331,062	(4,209)	31,861
Payables		1,119	653	647	(466)	6
Lease liabilities		325	305	223	(20)	82
Employee related provisions		489	569	517	80	52
Other current liabilities		-	300	-	300	300
Total Current Liabilities		369,065	364,750	332,449	(4,315)	32,301
<u>Non-Current Liabilities</u>						
Accrued long service leave benefits liabilities	(2),(a)	128,131	173,662	161,700	45,531	11,962
Lease liabilities		941	1,221	154	280	1,067
Employee related provisions		271	463	313	192	150
Total Non-Current Liabilities		129,343	175,346	162,167	46,003	13,179
TOTAL LIABILITIES		498,408	540,096	494,616	41,688	45,480
NET ASSETS		123,039	146,291	141,641	23,252	4,650
EQUITY						
Retained earnings		123,039	146,291	141,641	23,252	4,650
TOTAL EQUITY		123,039	146,291	141,641	23,252	4,650

Notes to the financial statements

For the reporting period ended 30 June 2025

8.9.2 Statement of Financial Position Variances (continued)

Major Estimate and Actual (2025) Variance Narratives:

- (1) Financial assets exceeded estimates by \$56.630 million (10.7%). The estimates were prepared based on an expected rate of return of 5.5%. However, due to strong international and domestic markets, the actual return was 10.8%. Additionally, the contribution levy rate was increased from 0.5% to 0.75% on 1 January 2025. This increase was not budgeted and accordingly, resulted in lower than expected drawdowns from financial assets to fund long service leave payments to workers and operations.
- (2) Difference in allocation between current and non-current liabilities was mainly due to a \$5.039 million (1.0%) increase in the total liability as assessed by the actuary as well as the recognition of \$22.193 million provision for retrospective application of revised statutory interpretations as well as a \$14.090 million provision for prospective application of revised statutory interpretations.

Major Actual (2025) and Comparative (2024) Variance Narratives:

- (a) Current and non-current liabilities increased by \$40.489 million (7.5%) due to higher rates of pay, a higher number of workers and a marginally lower discount rate. Additionally, the re-estimated provisions for retrospective and prospective application of revised statutory interpretations resulted in the current liability increasing by \$3.006 million. Similarly, the revised estimation for prospective application of revised statutory interpretations resulted in the non-current liability increasing by \$328,000.

Notes to the financial statements

For the reporting period ended 30 June 2025

8.9.3 Statement of Cash Flows Variances

	Variance note	Estimate 2025	Actual 2025	Actual 2024	Variance between actual and estimate	Variance between actual results for 2025 and 2024
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
Receipts from employers	(1),(a)	23,700	30,155	10,759	6,455	19,396
Interest received	(2),(b)	3,000	4,016	2,349	1,016	1,667
GST receipts from taxation authority		166	207	148	41	59
Payments						
Employee benefits	(3),(c)	(5,322)	(3,618)	(3,264)	1,704	(354)
Supplies and services	(4)	(2,776)	(2,406)	(2,467)	370	61
Finance costs		(22)	(31)	(16)	(9)	(15)
Accommodation		(216)	(203)	(162)	13	(41)
Payments for long service leave		(49,000)	(46,718)	(44,532)	2,282	(2,186)
GST payments on purchases		(219)	(327)	(282)	(108)	(45)
Other payments		(447)	(457)	(408)	(10)	(49)
Net cash provided by/(used in) operating activities		(31,136)	(19,382)	(37,875)	11,754	18,493
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds from sale of investments	(5),(d)	36,763	213,626	192,403	176,863	21,223
Distributions received	(6),(e)	15,000	23,770	19,454	8,770	4,316
Payments						
Purchase of financial assets	(7),(f)	(16,000)	(211,081)	(118,194)	(195,081)	(92,887)
Purchase of non-current assets	(g)	(100)	(179)	-	(79)	(179)
Net cash provided by/(used in) investing activities		35,663	26,136	93,663	(9,527)	(67,527)
CASH FLOWS FROM FINANCING ACTIVITIES						
Principal elements of lease payments	(h)	(331)	(381)	(236)	(50)	(145)
Net cash provided by/(used in) financing activities		(331)	(381)	(236)	(50)	(145)
Net increase/(decrease) in cash and cash equivalents		4,196	6,373	55,552	2,177	(49,179)
Cash and cash equivalents at the beginning of the period		82,238	83,020	27,468	782	55,552
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		86,434	89,393	83,020	2,959	6,373

Notes to the financial statements

For the reporting period ended 30 June 2025

8.9.3 Statement of Cash Flows Variances (continued)

Major Estimate and Actual (2025) Variance Narratives:

- (1) Receipts from employers exceeded estimates by \$6.455 million (27.2%) predominantly due to an unbudgeted increase in the contribution levy rate from 0.5% to 0.75% effective 1 January 2025.
- (2) Interest received exceeded estimates by \$1.016 million (33.9%). The estimates were prepared based on an expected rate of return of 4.5% for term deposits. The actual return for term deposits was 4.9%. The interest income estimate also included a significant rounding-down adjustment so that the estimated total investment income aligned with the overall estimated portfolio return of 5.5%.
- (3) Employee benefits payments were under estimates by \$1.704 million (32.0%). The estimates included a provision for additional resources for a project relating to the revised application of statutory interpretations. As at 30 June 2025, only some of the additional resources had been appointed to the project team.
- (4) Supplies and services payments were under estimates by \$370,000 (13.3%) predominantly due to underspends in non-recurring expenses including CRM development costs and the development of a new records management system, as well as underspends in recurrent legal expenses and consultants and contractors fees.
- (5) Proceeds from sale of investments exceeded estimates by \$176.863 million (481.1%). Monies in underperforming financial assets were redeemed and reinvested in other passive index funds.
- (6) Distributions received exceeded estimates by \$8.770 million (58.5%). The budgeted distributions were based on an expected income return of 2.75%, however, actual distributions received were much higher following strong market returns.
- (7) Purchase of financial assets exceeded estimates by \$195.081 million (1,219.3%). Monies in underperforming financial assets were redeemed and reinvested in other passive index funds.

Major Actual (2025) and Comparative (2024) Variance Narratives:

- (a) Receipts from employers increased by \$19.396 million (180.3%) predominantly due to an increase in the contribution levy rate from 0.5% to 0.75% effective 1 January 2025.
- (b) Interest received increased by \$1.667 million (71.0%). Term deposits were only held for part of the previous reporting period, whereas they were held for the entire duration of the current reporting period, resulting in higher comparative levels of interest income.
- (c) Employee benefits payments increased by \$354,000 (10.8%). FTE comparatively increased by 3.0 during the current reporting period due to the creation of new positions and a temporary increase in fraction for an existing staff member. Additionally, the use of temporary staffing resources to backfill vacancies and add temporary capacity to the Operations team was higher than the prior reporting period. Finally, employee benefits expenses were comparatively higher due to 5 per cent salaries escalation in accordance with the new *Public Sector CSA Agreement 2024*.
- (d) Proceeds from sale of investments increased by \$21.223 million (11.0%). Monies in underperforming financial assets were redeemed and reinvested in other passive index funds.
- (e) Distributions received increased by \$4.316 million (22.2%). A comparatively higher distribution rate resulted in the distributions recognised as at 30 June 2025 being higher than those recognised as at 30 June 2024.
- (f) Purchase of financial assets increased by \$92.887 million (78.6%). Monies in underperforming financial assets were redeemed and reinvested in other passive index funds.
- (g) Purchase of non-current assets increased by \$179,000 (100.0%) predominantly due to the purchase of furniture and fittings and office equipment assets to fit-out new office accommodation.
- (h) Principal elements of lease payments increased by \$145,000 (61.4%) due to the acquisition of a new lease for office accommodation at 503 Murray Street, Perth. The lease for old office accommodation at 50 Colin Street, West Perth is still being paid until it expires in February 2026.

Audited Key Performance Indicators

Certification of Key Performance Indicators

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 2025.



Susan Barrera
Chair

22 August 2025



Kate Schick
Member of the Board

22 August 2025

Key Performance Indicators

Desired Outcome

Financially sustainable portable Long Service Leave for eligible 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.

- (i) This KEI is the number of employers registered with the Board. In 2025 there was a moderate increase, reflective of ongoing strong activity and participation in the Western Australian construction industry.
- (ii) This KEI is the number of employees for whom contributions have been made. There has been an increase in numbers of average employees for whom contributions have been made by employers, which again is indicative of robust industry activity.
- (iii) As evidenced in this KEI, the average contribution rate for the reporting period was 0.625% and the Board considered this rate to be sufficient to maintain an adequate level of assets to meet LSL liabilities.
- (iv) Over the preceding five years, as per this KEI, the Board has generated a positive average investment return. Due to strong domestic and international markets, the Board's investment return as at 30 June 2025 was 10.8%. Board Members acknowledge that the annual investment performance will fluctuate on a year in/year out basis.
- (v) This KEI shows the number of registered employees and number of employees paid a benefit. The number of employees in the industry was 5.4% higher than the estimate; again, reflective of robust construction industry activity. Additionally, the number of employees paid a benefit was only marginally higher than the prior year comparative.
- (vi) This KEI shows the number of employees which qualify for a benefit.

The sound coverage of employees and employers sustains contribution levy receipts to assist in the maintaining of a Balance Sheet within, or above, 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 Board's funds.

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.

Key Performance Indicators (continued)

Key Effectiveness Indicators

(i) Employers who have Registered

FINANCIAL YEAR	2025 Target	2025 Actual	2024 Actual	2023 Actual	2022 Actual
Registered Employers – Average for the year	5,700	5,732	5,545	5,368	5,215
Change in average number of Registered Employers		3.4%	3.3%	2.9%	3.2%
Growth in Firms in the Industry ^(a)		*	1.5%	1.2%	4.1%

(a) Based on counts of Australian businesses statistics published by the ABS (filtered for WA businesses only between ANZSIC industry code ranges 3011 and 3299. Excludes non-employing businesses). Statistics are published annually in February using data as at 30 June of the previous year.

* 2024-25 statistics were not available at the time of preparation of this Report.

(ii) Employees for whom Days of Service have been Recorded

FINANCIAL YEAR	2025 Target	2025 Actual	2024 Actual	2023 Actual	2022 Actual
Employees with days of service – Average per quarter	81,000	84,562	79,804	73,570	67,701
Change in average number of Employees		6.0%	8.5%	8.7%	8.5%
Change in number of Employees in the industry*		5.5%	6.9%	9.9%	13.9%

* Based on construction industry employment statistics published by the ABS. (Based on a rolling four quarters average of ANZSIC'06, by industry division and by major group quarter ending February 2025. Occupations: Technicians and Trades Workers plus Machinery Operators and Drivers).

(iii) Long Service Leave Contribution Rate

FINANCIAL YEAR	2025 Target	2025 Actual	2024 Actual	2023 Actual	2022 Actual
Average Contribution Rate	0.625%	0.625% ^(a)	0.30% ^(b)	0.10%	0.30% ^(c)

(a) The contribution rate was increased from 0.50% to 0.75% with effect from 1 January 2025.

(b) The contribution rate was increased from 0.10% to 0.50% with effect from 1 January 2024.

(c) The contribution rate was decreased from 0.50% to 0.10% with effect from 1 January 2022.

Key Performance Indicators (continued)

(iv) Annual Return from Investments

FINANCIAL YEAR	2025 Target	2025 Actual	2024 Actual	2023 Actual	2022 Actual
Investment Return	6.50%	10.76%	10.38%	8.92%	(7.10%)
Benchmark Return (Composite Index)	6.50%	10.80%	10.51%	9.36%	(6.18%)
Investment Return - (5 Year Average)	6.90%	7.80%	5.17%	4.63%	4.23%

Investment return of 10.76% was in line with underlying portfolio performance driven by world markets and events.

(v) Employees who have Received a Long Service Leave Payment

FINANCIAL YEAR	2025 Target	2025 Actual	2024 Actual	2023 Actual	2022 Actual
Number of Employees paid a benefit (number)	5,000	4,888	4,864	4,540	4,242

Benefits paid totaling 4,888 (2024: 4,864) indicates that the number of claims submitted has been maintained.

(vi) Qualifying Service Profile of Registered Employees

FINANCIAL YEAR	2025 Target	2025 Actual	2024 Actual	2023 Actual	2022 Actual
Employees Registered (total)	138,000	145,472	135,676	123,100	111,281
Employees with less than the required minimum of 7 years of qualifying service to obtain a benefit	116,300	123,096	114,414	102,760	91,969
Employees qualified for a pro rata long service leave benefit - 7 to 10 years of service	10,300	10,301	10,089	9,954	9,692
Employees qualified for a long service leave benefit - more than 10 years of service	11,400	12,075	11,173	10,386	9,620

Key Performance Indicators (continued)

Service

Management of the Construction Industry Long Service Leave Scheme

Key Efficiency Indicators

(i) Average Administrative Cost Per Registered Employee

FINANCIAL YEAR	2025 Target	2025 Actual	2024 Actual	2023 Actual	2022 Actual
Cost per Registered Employee	\$59.00	\$53.45	\$49.35	\$52.21	\$46.84
Other State Schemes (average)		*	\$97.60	\$71.22	\$60.43

* 2024-25 figures not available at the time of preparation of the Report.

The cost per employee has increased mostly due to an increase in employee benefits, depreciation, accommodation and other expenses. The variance against the estimate is predominantly due to lower employee benefits and supplies and services expenses and a higher than expected number of employees registered (estimate: 138,000; actual: 145,472).

(ii) Full Time Equivalent Board Staff Per Registered Employees

FINANCIAL YEAR	2025 Target	2025 Actual	2024 Actual	2023 Actual	2022 Actual
Staff FTE per thousand employees	0.29	0.21	0.20	0.22	0.20
Other State Schemes (average)		*	0.65	0.47	0.38

* 2024-25 figures not available at the time of preparation of the Report.

The Key Efficiency Indicator (ii) has increased by 0.01 when compared to the prior year result (0.20) due to a significantly higher number of employees registered (2025: 145,472; 2024: 135,676) and higher full time equivalent staffing levels (2025: 30.4 FTE; 2024: 27.4 FTE). The variance against the estimate is due to lower than expected full time equivalent staffing levels as at 30 June 2025 (estimate: 39.4 FTE; actual: 30.4 FTE) and a higher than expected number of employees registered (estimate: 138,000; actual: 145,472).

Independent Auditor's Report



Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

Construction Industry Long Service Leave Payments Board

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Construction Industry Long Service Leave Payments Board (Board) which comprise:

- the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Board for the year ended 30 June 2025 and the financial position as at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

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

Responsibilities of the Board for the financial statements

The Board is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Independent Auditor's Report (continued)

In preparing the financial statements, the Board is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Board.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Board. The controls exercised by the Board are those policies and procedures established 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 the State's financial reporting framework (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Board are sufficiently adequate to provide reasonable assurance that the controls within the system were suitably designed to achieve the overall control objectives identified as at 30 June 2025, and the controls were implemented as designed as at 30 June 2025.

The Board's responsibilities

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall

Independent Auditor's Report (continued)

control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Board for the year ended 30 June 2025 reported in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions (legislative requirements). The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators report of the Board for the year ended 30 June 2025 is in accordance with the legislative requirements, and the key performance indicators are relevant and appropriate to assist users to assess the Board's performance and fairly represent indicated performance for the year ended 30 June 2025.

The Board's responsibilities 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 internal controls as the Board determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in

Independent Auditor's Report (continued)

accordance with Treasurer's Instruction 3 Financial Sustainability – Requirement 5: Key Performance Indicators.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 3 - Requirement 5 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments, I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My independence and quality management relating to the report on financial statements, controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Board is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2025, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

Independent Auditor's Report (continued)

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

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 2025 included in the annual report 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, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. 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 contact the entity to confirm the information contained in the website version.



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