



MyLeave

Construction
Long Service WA

2025-26 Annual Report

“Excellence in the
delivery of long
service leave
entitlements to
construction
industry employees”

myleave.wa.gov.au





Construction Industry Long Service Leave Payments Board

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Statement of Compliance

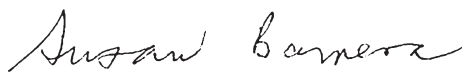
For year ended 30 June 2026

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 2026.

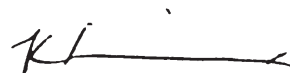
The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

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



Susan Barrera
Chair
MyLeave

14 August 2026



Kate Schick
Member of the Board
MyLeave

14 August 2026

Chair's Foreword



On behalf of the Board of MyLeave, I am pleased to present the annual report for the financial year 2025-26.

The construction industry in Western Australia has continued to expand, supported by strong investment in residential housing, major infrastructure projects and resource-related developments. Activity increased in both the public and private sectors, contributing to growth in the number of people employed in the industry. The labour market participation rate in the State was one of the highest in Australia and employment reached record levels.

The past year has seen progress on important projects which will strengthen MyLeave's ability to meet its strategic objectives.

Amendments to our governing legislation, via the *Construction Industry Portable Paid Long Service Leave Amendment Act 2025*, were proclaimed in October 2025. These amendments will, among other matters, extend coverage for eligible work performed on vessels, and make it possible to conduct Board meetings on line, ending the need for Board members to physically attend Board meetings.

While the number of benefits paid to construction workers decreased marginally (2.2%) from the previous year, MyLeave payments amounted to nearly \$48 million in long service leave benefits, an increase of 2.6%. Long service leave payments to construction industry workers for entitlements which they would otherwise not receive contribute to employee retention in the industry and are important for employees and employers.

Long service leave payments are funded by a combination of employer contributions and investment returns on the MyLeave investment portfolio. This year the Board was able to recommend that the industry contribution levy remain unchanged at 0.75%, the lowest levy of comparable construction industry schemes in the country.

At the same time, our investment portfolio delivered a return of 8.9%, which resulted in an investment income of \$61 million, contributing to our financial sustainability.

A major contribution to the organisation's efficiency was the completion of the business system project. This led to the implementation of the new Microsoft Dynamics business system, which went live in March 2026. This project was the culmination of a sustained effort by MyLeave staff. Despite the extra demands the project made on staff, the Board is confident that the new system will improve our ability to analyse trends and challenges as well as providing a better experience for employers and employees.

MyLeave continues our communications strategy to engage constructively with stakeholders and to strengthen our brand. The strategy combines digital communications, social media, industry partnerships, event participation and community engagement.

To maintain confidence in the scheme, MyLeave ensures compliance with the legislative requirements through a program of inspections and site visits, and, if necessary, prosecutions. In addition, we assisted the WA Industrial Relations Commission in proceedings concerning the eligibility of particular classifications of work and the recognition of days of service.

The Board was pleased to welcome a new Board member, Sandro Kolar, who represents employees. Sandro has a wealth of experience in governance and compliance in the construction industry.

I would personally like to thank all Board members for their thoughtful contributions to Board deliberations. My sincere thanks also to the CEO, Jason Buckley, and his team, for the consistent excellent quality of the research and advice provided and their ability to maintain equilibrium in the face of pressing demands on their time and attention.

Susan Barrera
Chair | MyLeave Board



Chief Executive's Report

The 2025–26 financial year was one of the most significant periods in MyLeave's history, marked by strong growth in the construction industry, major legislative reform and the implementation of a new business system.

Construction activity across Western Australia remained at historically high levels, with registered workers increasing to more than 152,000 and 14.8 million days of service recorded during the year. On average, more than 87,000 workers had service recorded each quarter, highlighting the continued importance of portable long service leave to the State's construction workforce.

During the year, MyLeave processed 4,778 long service leave payments totaling almost \$48 million.

Since the scheme commenced in 1987, approximately 86,000 workers have received long service leave benefits valued at more than \$691 million, demonstrating the value of portable long service leave to workers.

The Board maintained the contribution levy at 0.75% throughout the year. This remains below MyLeave's estimated long-term funding cost and continues to provide savings to employers while maintaining long-term sustainability.

A major milestone was achieved in March 2026 with the successful implementation of MyLeave's new Microsoft Dynamics business platform. Approximately 5,700 employers submitted their January to March 2026 quarterly returns through the new platform, while around 1,300 claim payments to workers were processed, marking the transition to a modern digital operating environment.

The new platform delivers improved online services for workers and employers, including online claim lodgment, enhanced self-service functionality and stronger data validation controls. These improvements will help ensure the accuracy and reliability of service and wage information used to calculate long service leave entitlements.

As expected with a project of this scale, implementation presented challenges. The onboarding process generated a significant increase in enquiries from workers and employers, with MyLeave responding to more than 15,000 enquiries

following the system launch. While response times were initially impacted, additional resources and process improvements were implemented, and service levels have since returned to target. I thank employers and workers for their patience and understanding throughout this transition.

The implementation of this project is a testament to the dedication, professionalism and resilience of MyLeave employees. Staff worked tirelessly to deliver a major technology transformation while continuing to support stakeholders and maintain essential services.

The year also saw substantial progress in modernising the legislative framework governing portable long service leave. The *Construction Industry Portable Paid Long Service Leave Amendment Act 2025* received Royal Assent. The reforms extended coverage for eligible work performed on vessels, recognised service during workers' compensation and stand-down periods, introduced early access to entitlements in cases of permanent incapacity, terminal illness or death, and enhanced Board governance arrangements.

In addition, MyLeave completed significant work on revised statutory interpretations relating to the calculation of ordinary pay and the interaction between the portable long service leave scheme and the *Long Service Leave Act 1958*. These changes provide greater certainty for workers and employers while supporting the consistent and equitable administration of entitlements.

I would like to sincerely thank the MyLeave team for their commitment and professionalism during a year of significant organisational change. I also extend my appreciation to Board Chair and the Board Members for their guidance and support throughout the year. I look forward to continuing to improve services and outcomes for Western Australia's construction industry.

Jason Buckley
Chief Executive Officer | MyLeave



**“ The 2025-26
financial year was
one of the most
significant periods
in MyLeave’s history ”**

Performance Highlights

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

Workers

 4,778 LSL payments to workers ↓ -2.2%	 \$47.9 million LSL payments to workers ↑ 2.6%	 \$10,031 Average LSL payment (gross) ↑ 4.9%
 152,122 Registered workers ↑ 4.6%	 9,094 Apprentices* *No charge to employers ↑ 9.3%	 5,332 Interstate Workers ↓ -3.0%
 23,357 Workers with vested LSL benefits ↑ 4.4%	 14.8 million Days of Service ↑ 2.8%	 1,505 Days of service queries ↑ 11%

Employers

 5,999 Registered employers ↑ 4.6%	 94.1% Average employer returns received ↓ -2.9%	 \$6.1 billion Industry wages ↑ 14.8%
 0.75% Levy ↑ 0.20%	 \$45.1 million Employer contributions* *Includes prior year adjustments ↑ 31%	 \$21.5 million Contribution levy below long-term cost ↓ -8.5%

MyLeave Operations

 \$735 million Total Assets ↑ 7.1%	 \$554 million Total liabilities ↑ 2.5%	 133% Liability cover ↑ 4.7%
 \$9.4 million Operational expenses ↑ 21%	 8.9% \$61 million Investment return ↓ -10%	 \$14 million Increase in LSL liabilities ↓ -67%



Overview

MyLeave continued to grow in 2025–26, reflecting the strength of Western Australia’s construction industry and the ongoing value of portable long service leave. Registered workers increased to more than 152,000, while 14.8 million days of service were recorded during the year. On average, 87,000 workers had service recorded each quarter. Long service leave payments remained stable, with 4,778 benefit payments totalling \$47.9 million made to workers.

The contribution levy remained unchanged at 0.75%, generating \$45.1 million in employer contributions. Strong investment market performance delivered a return of 8.9%, contributing investment income of \$61 million.

Following the annual actuarial review, long service leave liabilities increased by \$14 million. The increase reflected several factors, including:

- growth in construction industry wages over the past 12 months
- assumptions for future wage inflation
- an increase in registered workers
- growth in vested long service leave entitlements

Despite the increase in liabilities, MyLeave closed the year in a strong financial position, with an accounting surplus ratio of 133% (assets to liabilities), marginally above the target funding range.

Maintaining a strong funding position is essential to ensuring MyLeave can meet future long service leave obligations while remaining resilient to fluctuations in financial markets and activity levels within the construction industry.

Operations

During 2025–26, MyLeave processed 4,778 long service leave benefit payments, totalling \$47.9 million.

The contribution levy remained at 0.75% for the financial period. The Board was pleased to maintain a relatively low levy while preserving its strong financial position. This lower levy continued to provide financial relief to employers while aligning contribution income more with the Board’s target funding level.

With total industry wages exceeding \$6.0 billion during the year, the 0.75% levy resulted in an estimated \$21.5 million in savings to the construction industry when compared with the long-term cost of administering long service leave for workers at 1.1%.

The Board will determine the levy rate applicable from 1 January 2027 following consideration of actuarial advice provided by MyLeave’s appointed actuary, am actuaries.

While MyLeave remains financially strong, the Board’s future levy decisions will continue to be guided by its mission:

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

CONTRIBUTION LEVY

	Jan 2022	Jan 2023	Jan 2024	Jan 2025	Jan 2026
Levy percentage	0.1%	0.1%	0.5%	0.75%	0.75%
Change	-0.4%	Nil	+0.4%	+0.25%	Nil

MyLeave statistics for 2025–26 demonstrate continued growth in workforce participation, supported by sustained demand for construction activity across Western Australia. The average number of active workers with contributions increased by 3.4% to 87,412, representing growth of almost 30% since 2022. Registered workers also increased to 152,122, a rise of 4.6% over the past year.

Since commencement in 1987, approximately 86,000 workers have received long service leave benefits totalling more than \$691 million, highlighting the enduring value of portable long service leave to the construction industry.

Days of service recorded increases

Average quarterly service days increased by 3.3% to 3.71 million, reflecting continued workforce participation across the sector. Employer contribution income increased to \$45.1 million, up from \$34.4 million in the previous year. This growth was driven by increased workforce numbers, higher wages and the full-year impact of the levy rate increasing from 0.5% to 0.75% in January 2025.

Consistent with its purpose, MyLeave continues to provide financial support to workers during periods away from the industry while rewarding long-term service through portable long service leave benefits.

WORKERS

	2022	2023	2024	2025	2026
Total registered	111,281 4.7%	123,100 10.6%	135,676 10.2%	145,472 7.2%	152,122 4.6%
Total contributed for (average per quarter)*	67,701 8.5%	73,570 8.6%	79,804 8.5%	84,562 6.0%	87,412 3.4%
Total days of service (average per quarter)*	2,853,811 10.6%	3,110,101 9.0%	3,388,290 8.9%	3,591,277 6.0%	3,711,316 3.3%
Number of benefits paid	4,242 15.6%	4,540 7.0%	4,864 7.1%	4,888 0.5%	4,778 -2.2%
Value of benefits paid	\$36.1 m 24.1%	\$39.8 m 10.4%	\$44.5 m 11.8%	\$46.7 m 4.9%	\$47.9 m 2.6%

* Three quarter average from September to March.

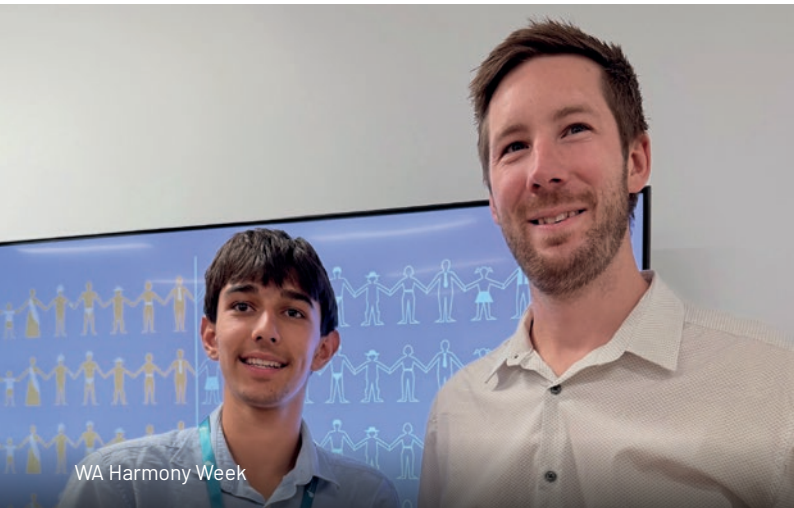
The average number of registered employers also continued to grow, increasing by 4.6% to almost 6,000 businesses, reflecting ongoing industry participation and confidence in the scheme.

EMPLOYERS

	2022	2023	2024	2025	2026
Total registered (average for the year)	5,215 3.2%	5,368 2.9%	5,545 3.3%	5,732 3.4%	5,999 4.6%
Contribution levy amount	\$12.3 m 26.8%	\$5.5 m -55.2%	\$15.8 m 187%	\$34.4 m 117.8%	\$45.1 m 31.1%
Total industry wages	\$3.56 b 14.8%	\$4.18 b 17.4%	\$4.79 b 14.6%	\$5.27 b 10.0%	\$6.05 b 14.8%
Contribution levy difference to long term cost (1.1%)	\$26.9 m	\$40.5 m	\$36.9 m	\$23.5 m	\$21.5 m



The Mates Lunch 2026



WA Harmony Week



WA Harmony Week



Perth Tradie Expo

Communications

Throughout the year, our communications strategy focused on strengthening brand awareness, increasing engagement and expanding our reach across Western Australia's construction industry.

We delivered targeted, relevant and timely communications, as we continued to build trust with employers, workers and industry stakeholders while supporting greater awareness of our services and benefits.

A key focus was on initiatives designed to introduce new audiences to MyLeave and reinforce our position as a trusted industry organisation. This included a combination of digital communications, social media, industry partnerships, event participation and community engagement, all aligned with our broader strategic objectives.

Our communications activity was underpinned by four key priorities:

- Increasing brand awareness across the construction industry.
- Growing engagement with members and stakeholders through meaningful, educational content.
- Supporting strategic campaigns that encourage awareness and understanding of long service leave entitlements.
- Strengthening relationships with industry partners and the broader construction community

Engagement across our digital channels continues to grow, supported by consistent storytelling, educational resources, campaign content and event coverage. By sharing practical information, celebrating industry initiatives and highlighting the people behind construction, we continue to strengthen our connection with existing audiences while reaching new employers and workers across Western Australia.

Community and Industry Engagement

Face-to-face engagement remains an important part of our communications strategy, providing opportunities to connect directly with employers, workers, apprentices and industry partners.

During the year, MyLeave continued to strengthen its partnership with the Construction Training Fund (CTF), recognising the shared commitment to support WA's construction workforce. By working closely with CTF, MyLeave has been able to extend its reach to employers and workers at key industry touchpoints — from training and apprenticeship pathways through to long service leave entitlements.

MyLeave participated in a range of industry and community events to promote awareness of the Scheme, provide information about long service leave entitlements and engage directly with stakeholders. Key activities included apprentice engagement sessions, trade expos, industry trade days, careers events, radio interviews and industry forums.

MyLeave also participated in major industry events including the Perth Tradie Expo, MATES Lunch and the MATES Big Lap Challenge. These initiatives provided valuable opportunities to engage with workers, employers and industry representatives while reinforcing MyLeave's commitment to supporting the wellbeing of the construction workforce.

Our ongoing relationship with MATES in Construction WA reflects a shared commitment to improving the wellbeing of the construction workforce. By supporting initiatives such as The MATES Lunch and participating in the MATES Big Lap Challenge, MyLeave helped promote conversations around mental health and the importance of both physical and mental wellbeing in the workplace.

Attending the Perth Tradie Expo allowed us to hear from our stakeholders firsthand and gain valuable insights into their user experience of our online platforms, assisting with continuous improvement of our systems.

Through both digital and in-person communications, MyLeave continues to increase visibility, strengthen stakeholder relationships and deliver communications that support our strategic priorities.

Compliance Activities

MyLeave continued to administer a comprehensive compliance program during 2025-2026 to support employer compliance with the requirements of the *Construction Industry Portable Paid Long Service Leave Act 1985 (the Act)* and to protect employee long service leave entitlements. Compliance activities focused on employer registration, quarterly Return lodgement, contribution obligations, employer and worker eligibility, and the accuracy of service information recorded under the Act.

The Compliance Team maintained an active follow-up program for employers that failed to lodge Returns within prescribed timeframes. Approximately 6,000 employers are registered with MyLeave and are required to submit quarterly returns.

Prosecution activity remained an important compliance tool. Enforcement activities continued in accordance with our established prosecution procedures, identifying employers requiring assistance and enhancing compliance with the Act. Compliance efforts contributed to improved Return lodgement outcomes, with many employers submitting overdue and outstanding Returns before proceedings in the WA Industrial Magistrate's Court were progressed.

During the year, MyLeave considered several matters involving the interpretation of employee eligibility and service recognition under the Act. MyLeave assisted the WA Industrial Relations Commission in proceedings concerning the eligibility of particular classifications of work and the recognition of days of service. These matters supported continued clarification of provisions of the Act and is helping to inform future administration.

Implementation of the new Dynamics 365 platform formed a significant operational focus during the year, requiring substantial compliance-related support activities to assist employers and workers with onboarding, account establishment and quarterly Return submissions. Additional effort was deployed to manage stakeholder enquiries, support accuracy of records and maintain regulatory obligations during the transition period.

MyLeave continued to strengthen its governance, risk and assurance framework through strategic risk reviews, audit committee oversight, internal review planning and implementation of risk treatment actions.

These activities supported effective regulatory administration and ongoing management of compliance risks across MyLeave.

Proactive Compliance

Proactive compliance activity identified 522 potential employers with whom we initiated contact. This represents a 21% decrease from 665 employers identified in 2024/2025. A total of 255 employer questionnaires were distributed, a 28% decrease (72) from 2024/2025.

522 Employers identified



Employer Registration Assessments

In 2025/2026 there were 797 new employers that were assessed as eligible and registered with MyLeave, a 27% increase from 2024/2025.

797 new employers registered



Assessments/Adjustments

As a result of compliance activity in monitoring the accuracy of information reported on employer returns, 233 adjustments were made to employee records. An 18% decrease from 285 adjustments in 2024/2025.

233 adjustments to employee records



Days of Service Queries

In 2025/2026, 1,505 days of service enquiries were received from employees, an increase of 11% from 1,360 in 2024/2025. 36% were resolved by communicating with the employer and 11% were referred for further inspection. The remainder are currently being examined.

11% increase in days of service queries



An increase in MyLeave communication material regarding various issues including activation of our new portals and customer relationship management system has contributed to increased awareness, engagement and workers checking their recorded service.

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 4,532 Employer Returns by the specified statutory date and required on average 1,133 compliance interventions per quarter.

**On average 94.1%
of Employer Returns
were received**



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

Efforts applied in the development, testing, release and transition of our new portals and customer relationship management system are reflected in the 2025/2026 figures.

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

% Returns Received Per Quarter	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Quarter 1	98.5%	98.9%	96.2%	97.6%	96.3%
Quarter 2	98.4%	98.5%	97.2%	97.3%	95.1%
Quarter 3	97.6%	97.9%	97.7%	96.7%	94.9%
Quarter 4	96.4%	97.0%	98.1%	96.1%	90.1%
Average	97.7%	98.1%	97.3%	96.9%	94.1%

Inspections

There was a 6% decrease in Inspections from the 2024/2025 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.

**658 initiated and 919
Inspections completed**



The 6% decrease in Inspections for this reporting period is attributed to issues related to development and release of our new portals and customer relationship management system after experiencing a 6% increase in Inspection activity from 2024/2025, and a 32% increase in 2023/2024.

Enforcement

Prosecutions decreased by 17% from 2024/2025. This is attributed to a pro-active decision to defer prosecution activities due to development and release of our new portals and customer relationship management system whilst we focused on education and providing assistance to employers familiarize themselves with the new system.

**69 prosecutions
commenced**



MyLeave commenced 69 employer prosecutions, 19 are waiting to be heard, and all other employers have now fully complied.



WAIRC Review

This reporting period saw matters being referred to the Western Australian Industrial Relations Commission (WAIRC) for review.

All matters involved employee appeals relating to the recognition of days of service and eligibility under the *Construction Industry Portable Paid Long Service Leave Act 1985* (the Act). The matters primarily concerned interpretation of prescribed classifications and whether particular duties constituted eligible construction industry work for the purposes of the Act.

During the year, five (5) matters were finalised by the WAIRC. All five (5) matters were resolved by the applications being discontinued.

These proceedings continue to provide valuable guidance regarding the application of the Act and support consistent decision-making in its administration.

Compliance Summary

During 2025/2026, MyLeave continued to progress key review, interpretation and compliance initiatives to support the effective administration of the *Construction Industry Portable Paid Long Service Leave Act 1985*.

Significant work was undertaken on matters including ordinary pay, eligibility requirements and recognition of days of service, with a focus on providing greater clarity and consistency for workers and employers while ensuring compliance with legislative obligations.

The implementation of the customer relationship management transformation program and the transition to the new portals and platform established a foundation for a more efficient and data-driven compliance framework. Ongoing system development will support enhanced compliance monitoring, proactive stakeholder engagement, improved self-service capabilities, better data quality and more consistent regulatory outcomes across MyLeave operations.





Legislation Act Amendments

The *Construction Industry Portable Paid Long Service Leave Act 1985* (the Act) was established nearly four decades ago.

To ensure the legislation remained fit-for-purpose in a contemporary economy, following the independent review of the Act by KPMG during 2023 and 2024, and extensive stakeholder consultation, the Government introduced the *Construction Industry Portable Paid Long Service Leave Amendment Bill 2025* to deliver on key election commitments and rectify long-standing legislative anomalies. The Bill successfully passed the Parliament of Western Australia and received Royal Assent 28 August 2025.

The primary purpose of the 2025 Amendment Act was to modernise and optimise coverage, resolve historical inequities between employer contributions and worker service accrual, and enhance Board governance arrangements.

Revised Statutory Interpretations

MyLeave finalised work to address issues relating to the interpretation and administration of two aspects of the legislation.

1) Ordinary Pay

The Board adopted a policy position clarifying the approach to determining ordinary pay for the purposes of long service leave payments and operational administration. This work was undertaken to ensure a consistent and legally supported interpretation of the Act and to provide greater certainty for employers, employees and other stakeholders.

The changes were effective from 1 October 2025 with employers required to submit their December 2025 quarter returns on the revised basis. As part of implementing the Board's position, MyLeave developed guidance materials, frequently asked questions, fact sheets and other communication resources for industry participants. Updated information was published on the MyLeave website and distributed to employers, employee representatives and industry stakeholders to assist in understanding the revised interpretation and its practical application.

MyLeave has also commenced review of claims and employer reporting practices potentially affected by the revised interpretation. The ordinary pay project remained a significant governance and compliance priority during the year, with further work continuing to assess historical impacts, support industry understanding and ensure the consistent administration of worker entitlements under the Act.

2) Employer Refunds

A key focus during the year was examining the interaction between the Act and the *Long Service Leave Act 1958*. Updated guidance was provided to industry on the circumstances in which employees registered under the portable long service leave scheme may be excluded from coverage under the *Long Service Leave Act 1958*.

This revised interpretation reflects the clarification that employees working in an eligible

job role and registered under the Act cannot be covered simultaneously by the *Long Service Leave Act 1958*. The revised arrangements took effect on 12 November 2025, with formal notification provided to employers and industry associations.

MyLeave also progressed arrangements for considering employer refund claims and continued discussions regarding possible amendments to support the concurrent operation of both legislative systems.

At a national level, MyLeave remained actively involved in inter-jurisdictional discussions concerning the application of portable long service leave legislation to construction work undertaken across the State. MyLeave continues to participate in working group discussions with Commonwealth and state agencies and is supporting consideration of legislative amendments.

These activities support MyLeave's objective of ensuring the legislative framework remains contemporary, effective and responsive to the needs of employers and employees within the Western Australian construction industry.

Technology

A major milestone was achieved during 2025–26 with the implementation of MyLeave's new Microsoft Dynamics business system, which went live in March 2026.

The transition to the new platform represents a significant investment in MyLeave's future capability and provides a modern foundation for delivering improved services to workers and employers through new self-service portals. The first employer quarterly returns processed through the new system were the January to March 2026 returns, with approximately 5,700 returns successfully submitted, marking the commencement of a new digital operating environment for employers.

In addition to providing improved online services, the new system has introduced enhanced validation and verification controls within the employer return process. These improvements strengthen data quality by identifying potential errors or inconsistencies at the point of submission, helping to improve the accuracy, reliability and integrity of service and wage information used to calculate workers' long service leave entitlements.

Workers are already experiencing the benefits of the new platform through enhanced self-service functionality, including the ability to lodge long service leave claims online via the MyLeave worker portal. Since go-live, approximately 1,300 claim payments have been processed through the new system. These enhancements provide a more convenient and efficient experience for workers while supporting claims processing and improved access to account information.

As with any large-scale technology transformation, implementation presented a number of challenges.

In particular, the onboarding and transition process generated higher-than-expected levels of support requests from both employers and workers as users became familiar with the new system and processes. Since going live, MyLeave responded to approximately 15,300 enquiries, reflecting the significant level of engagement associated with the transition.

The increased demand for support initially impacted response times, and MyLeave acknowledges the patience and understanding shown by employers and workers during this period. Additional resources were allocated to customer support, processes were refined, and user guidance was enhanced. As a result, service levels progressively improved, and response times have now returned to target levels.

The Board also acknowledges the commitment, professionalism and resilience of MyLeave staff throughout this significant organisational change. The implementation of Dynamics was made possible through the considerable efforts of employees across the organisation, who worked tirelessly to support employers and workers while maintaining business operations during the transition.

The deployment of Dynamics provides a strong platform for continued digital improvement, enabling MyLeave to enhance customer experience, strengthen data integrity, streamline business processes and support ongoing growth and sustainability.

Investment

In 2026 the investment return percentage achieved by MyLeave was 8.9%, which was lower than the 2025 return of 10.8%, and greater than the 20-year long term average return of 6.1% 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.

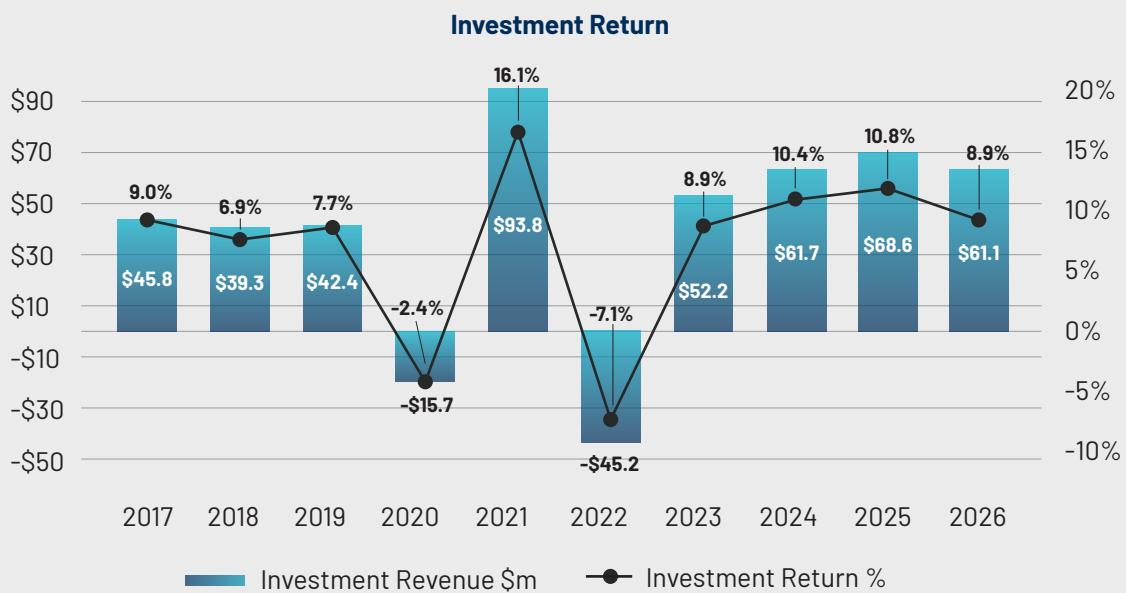
The proceeds from investments were \$61.1 million which contributes to covering the total long service liabilities and payments to workers.

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 ASSETS AND INCOME					
	2022	2023	2024	2025	2026
Investment assets	\$596 m	\$608 m	\$629 m	\$673 m	\$721 m
Investment income	-\$45.2 m	\$52.2 m	\$61.7 m	\$68.6 m	\$61.1 m
Investment return	-7.1%	8.9%	10.4%	10.8%	8.9%

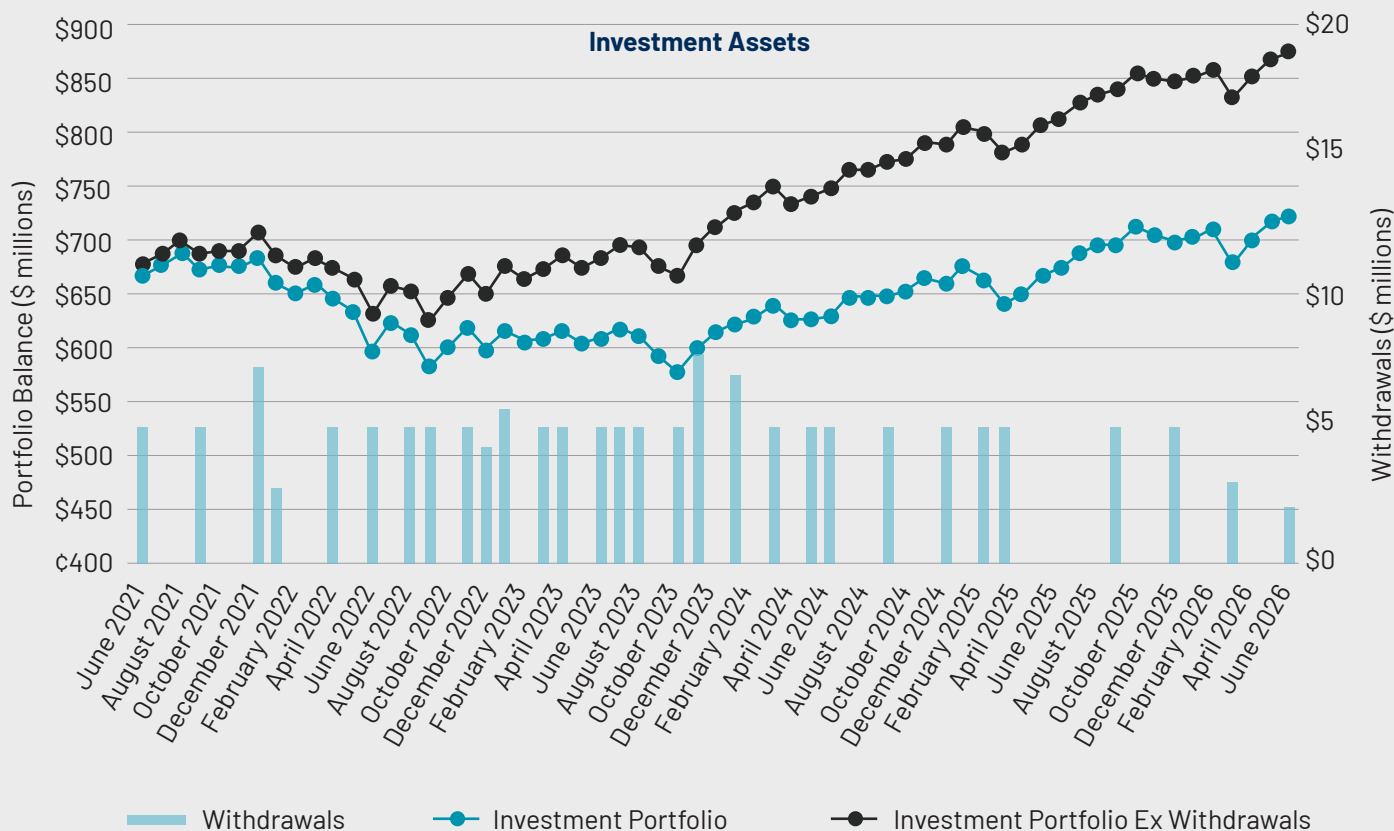
Whilst, over recent years, significant growth has been recorded in the investment portfolio, this aligns the portfolio to the Actuary's calculation of the total actuarial liability for worker payments. The investment portfolio is also required to have a financial buffer to cover global investment market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

The Statement of Comprehensive Income in this Annual Report details that in 2025/2026 the level of net investment income was \$61.1 million, and the contribution income from employers was \$45.1 million. As previously detailed, the contribution income was more than the 2024/2025 level of \$34.4 million.

The Board's investment assets have performed well over recent years with a current balance of \$721 million as at 30 June 2026.

The Board has withdrawn \$155 million from the portfolio to fund long service leave payments and operating expenses over the last five 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 provided by LGT Crestone assisting 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 6.9% per year, and long term returns of 6.1% per year over 20 years.

The next table shows MyLeave's Strategic Asset Allocations (Benchmark and Actual) and the Notes to the Financial Statements provide specific details of the individual Fund Managers as at 30 June 2026.

STRATEGIC ASSET ALLOCATION			
Asset Class	Benchmark	Range	Actual 30 June 2026
Cash (including Term Deposits)	25%	15%-35%	23.9%
Fixed interest	15%	5%-25%	14.2%
Sub total	40%	30%-50%	38.1%
Australian listed equities	25%	15%-35%	23.9%
International listed equities	35%	25%-45%	38.0%
Sub total	60%	50%-70%	61.9%
Total	100%		100%

Financial Position

As outlined earlier in this report, MyLeave maintained a strong financial position throughout 2025–26, supported by continued growth in participation, stable contribution revenue and positive investment returns.

Total assets increased by \$49 million to \$735 million, while total liabilities increased by \$14 million to \$554 million, due to growth in long service leave entitlements. As a result, the equity surplus increased from \$146 million to \$181 million.

The funding ratio (assets to liabilities) improved from 127% to 133%, reflecting the combined impact of strong investment performance and continued contribution income.

The actuarial valuation is updated annually and incorporates the latest worker service and wage data reported by employers through quarterly returns. This valuation determines the long service leave liability that MyLeave is required to meet and forms the basis for assessing MyLeave's financial sustainability.

STATEMENT OF FINANCIAL POSITION					
	2022	2023	2024	2025	2026
Assets	\$599 m	\$610 m	\$637 m	\$686 m	\$735 m
Liabilities	\$382 m	\$447 m	\$495 m	\$540 m	\$554 m
Equity surplus	\$217 m	\$163 m	\$142 m	\$146 m	\$181 m
Accounting Ratio (Assets/Liabilities)	157%	137%	129%	127%	133%

The actuarial assessment of long service leave liabilities reflects both vested and unvested worker entitlements.

As at 30 June 2026, the total long service leave liability was \$551 million, an increase of \$14 million from the previous year. This growth was driven principally by:

- increases in average industry wage rates
- growth in the number of registered workers
- additional accrued service and leave entitlements

These factors were partially offset by an increase in the government bond rate used to discount future benefit payments, which reduced the reported liability by approximately \$19 million.

The number of workers with vested long service

leave entitlements continued to grow, increasing from 22,376 to 23,357 during the year. This trend reflects the ongoing maturity of the scheme and the sustained participation of workers within the Western Australian construction industry.

The annual actuarial review also includes projections of future liabilities. Based on current assumptions, the total long service leave liability is forecast to increase from approximately \$550 million as at 30 June 2026 to \$722 million by 30 June 2031, reflecting anticipated growth in wages, workforce participation and accrued entitlements.

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.

Actuarial liability increases

LONG SERVICE LEAVE LIABILITIES					
	2022	2023	2024	2025	2026
Vested LSL liability	\$284 m	\$330 m	\$331 m	\$363 m	\$370 m
Unvested LSL liability	\$95 m	\$115 m	\$162 m	\$174 m	\$181 m
Total LSL liability	\$379 m	\$445 m	\$493 m	\$537 m	\$551 m
Workers with vested LSL benefits	19,312	20,340	21,262	22,376	23,357

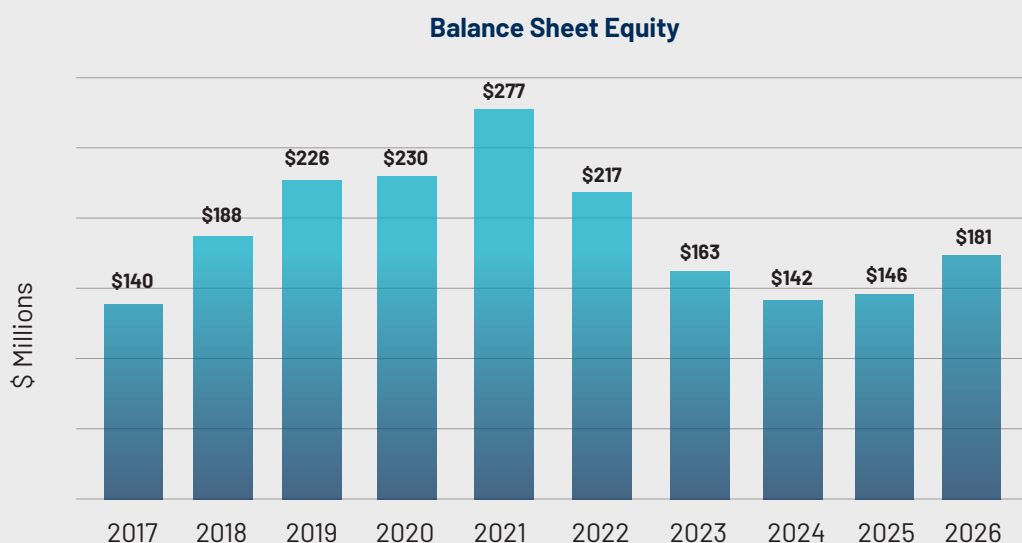


MyLeave recorded an increase in equity of \$35.7 million during 2025–26, resulting in a year-end equity surplus of \$181 million. While MyLeave aims to maintain a stable and sustainable funding position over the long term, annual movements in equity are influenced by factors that are largely outside the Board’s control, including:

- changes in Western Australian construction industry activity
- movements in government bond rates
- Global investment market performance
- changes in actuarial assumptions and workforce demographics

As at 30 June 2026, MyLeave’s funding ratio of 133% remained marginally above the upper end of the Board’s approved target range of 110% to 130%. Maintaining an appropriate level of surplus is important to ensure MyLeave can meet future long service leave obligations and remain resilient during periods of investment market volatility or significant changes in actuarial liabilities. A prudent funding position supports the long-term sustainability of the scheme and helps ensure MyLeave can continue delivering portable long service leave benefits to construction industry workers across Western Australia.

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



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

Hon Simone McGurk BA(Arts) BA(Comms) MLA – Minister for Creative Industries; Heritage; Industrial Relations; Aged Care and Seniors; Women.



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



Sandro Kolar

Appointed to the Board in September 2025. Sandro joined the CFMEU in 2025 as the Governance and Compliance Officer. He brings a diverse background, having previously held roles at GESB Superannuation and Services Australia, and has experience working in underground mining. Term expires in September 2028.



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.



Representing Employers



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 2028.



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.

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	6
Steve McCartney	6	4
Kari Pnacek	6	6
Kate Schick	6	6
Paula West	6	6
Sandro Kolar (from September 2025)	5	5

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	2
Kate Schick	4	4



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	Annual Payment	1 Jul 2025 to 30 Jun 2026	24 Sep 2026	\$41,835 [#]
Member	Jo Alilovic	Annual Payment	1 Jul 2025 to 30 Jun 2026	24 Sep 2026	\$23,009 [#]
Member	Steve McCartney	Annual Payment	1 Jul 2025 to 30 Jun 2026	24 Sep 2026	\$20,544 [*]
Member	Kari Pnacek	Annual Payment	1 Jul 2025 to 30 Jun 2026	24 Sep 2027	\$20,544 [*]
Member	Kate Schick	Annual Payment	1 Jul 2025 to 30 Jun 2026	24 Sep 2028	\$23,009 [#]
Member	Paula West	Annual Payment	1 Jul 2025 to 30 Jun 2026	24 Sep 2027	\$23,009 [#]
Member	Sandro Kolar	Annual Payment	25 Sep 2025 to 30 Jun 2026	24 Sep 2028	\$15,743 [*]
					\$167,693

[#] 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 2026-29 includes 20 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

Data driven' business using reliable systems that deliver accurate and efficient results

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



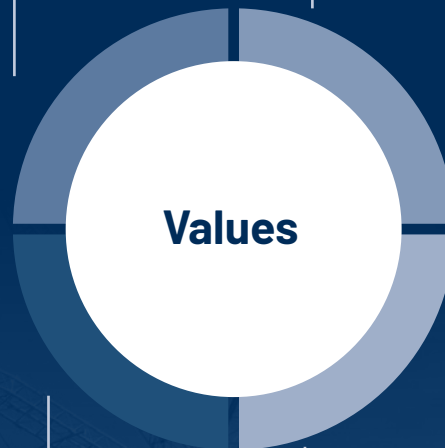
Excellence in service delivery

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

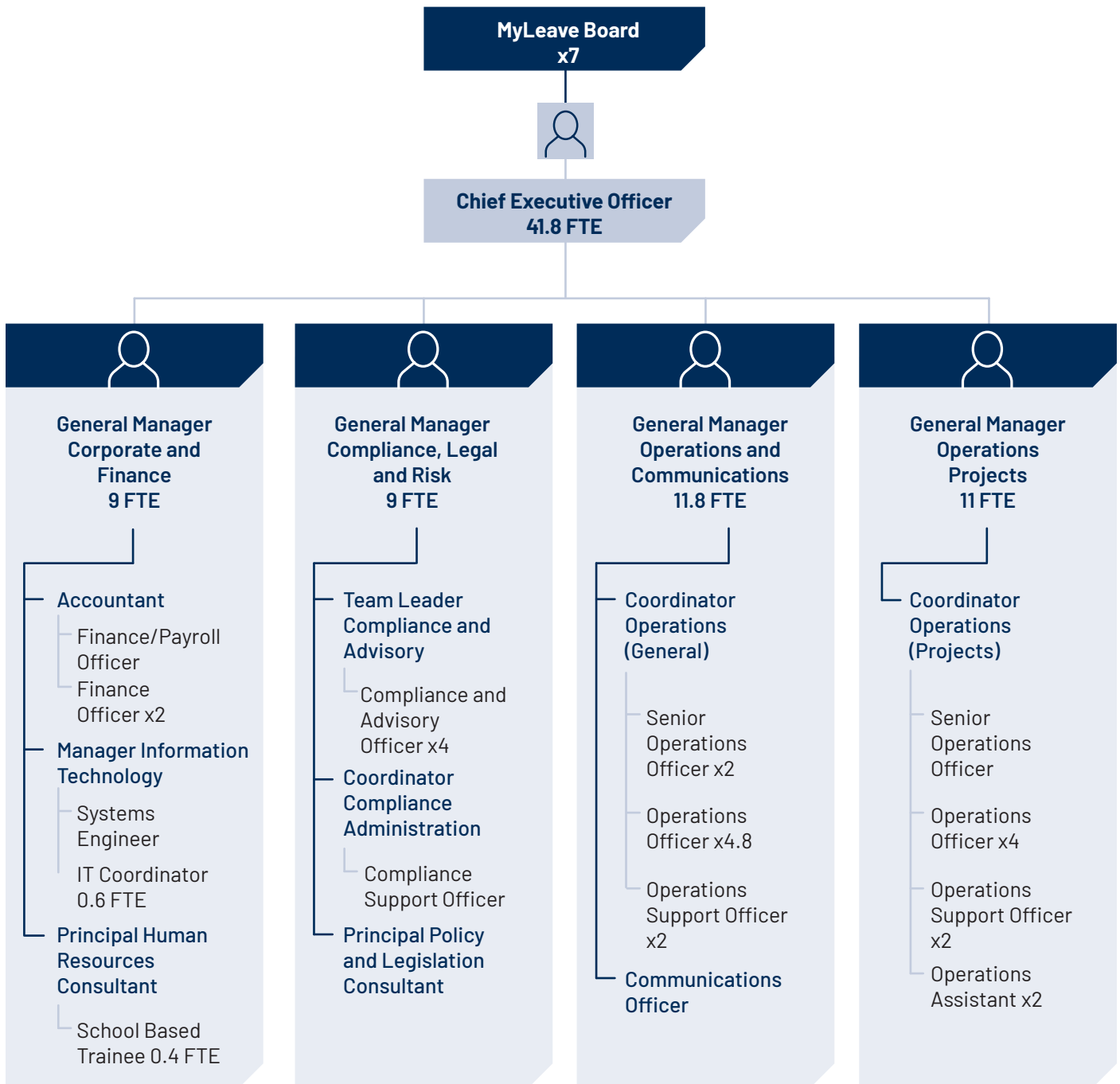


Consistency

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



Organisation Chart



As at 30 June 2026, MyLeave's established staffing level was 41.8 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

MyLeave assists the Minister for Industrial Relations in the administration of the following:

- *Construction Industry Portable Paid Long Service Leave Act 1985*; and
- *Construction Industry Portable Paid Long Service Leave Regulations 1986*.

Other Key Legislation Impacting on Activities

In the performance of its functions, MyLeave 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 (Cth)

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

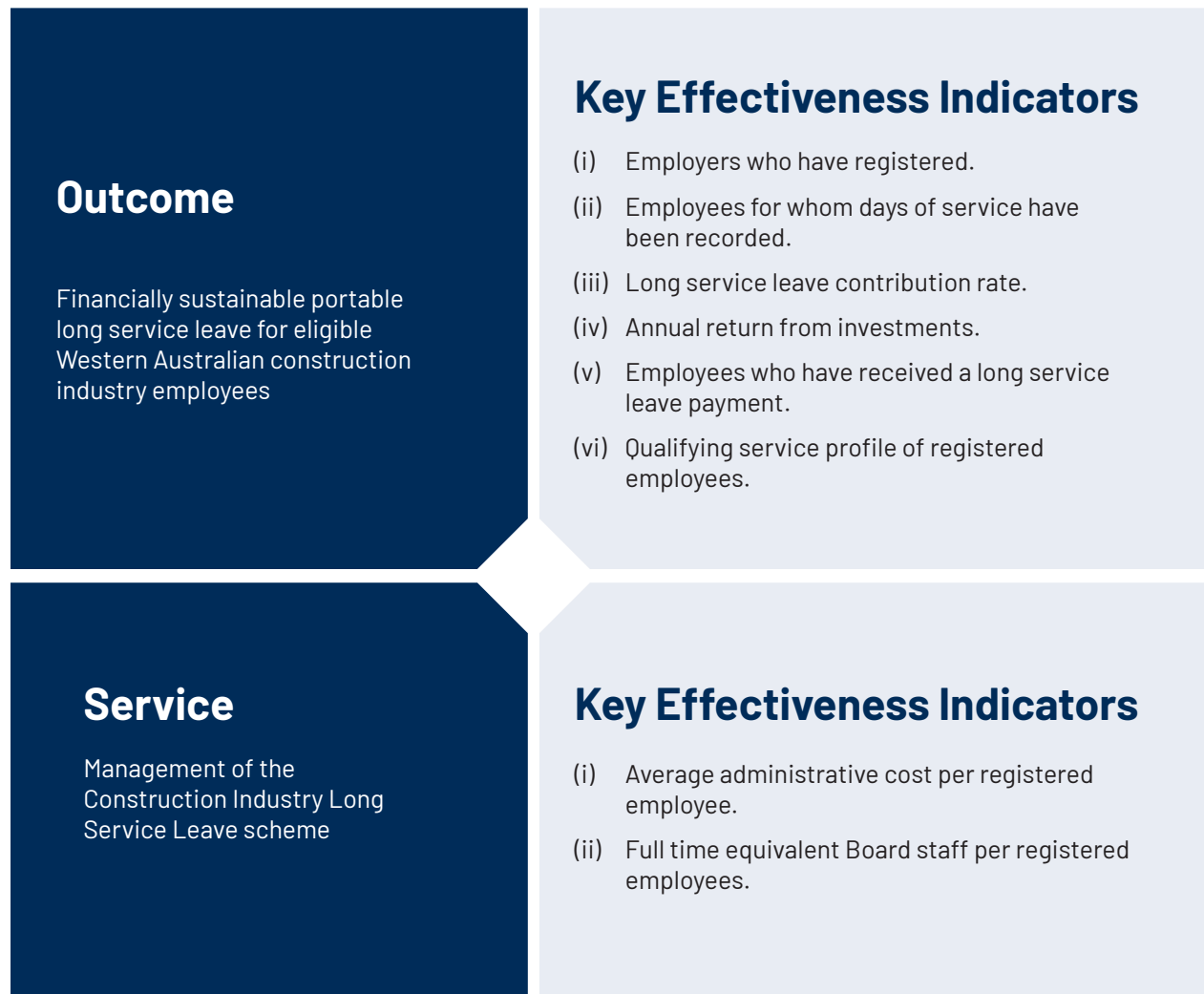
Trustees Act 1962

Work Health and Safety Act 2020

Workers Compensation and Injury Management Act 2023

Performance Management Framework

Outcome Based Management Framework



Changes to the Outcome Based Management Framework

MyLeave's outcome based management framework did not change during 2025-26.

Shared Responsibilities with Other Agencies

MyLeave did not share any responsibilities with other agencies in 2025-26.

MyLeave Performance

Report on the Operations

Actual results versus budget targets

Financial Targets	2026 Target ⁽¹⁾ (\$000)	2026 Actual (\$000)	Variation ⁽²⁾ (\$000)
Total cost of services (expense limit) (details from Statement of Comprehensive Income)	9,573	9,430	143 ^(a)
Net cost/(income) of services (details from Statement of Comprehensive Income)	(32,427)	(51,725)	19,298 ^(b)
Total equity (sourced from Statement of Financial Position)	117,434	181,370	63,936 ^(c)
Agreed salary expense level	5,169	5,284	(115)
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) Actual total cost of services was broadly in line with the target, with minor underspending.

(b) The net cost of service included higher income than estimated due to better than expected earnings on investments made on the Board's funds. The underlying portfolio return was estimated at 6.5%, however, the actual return was 9.0%, reflecting strong international market performance.

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

	(\$000)
Higher opening total equity at 1 July 2025 than forecast	22,884
Higher investment income than forecast	19,139
Lower provision/value for long service leave liability than forecast	11,592
Higher employer contributions than forecast	7,090
Lower number/value of long service leave payments than forecast	3,072
Lower operating expenses than forecast	143
Higher other income than forecast	16
Equity Variance	63,936

Summary of Key Performance Indicators

	2026 Target ⁽¹⁾	2026 Actual	Variation ⁽²⁾	Result ⁽³⁾
Outcome: Financially sustainable portable long service leave for eligible Western Australian construction industry employees.				
Key Effectiveness Indicators:				
(i) Eligible employers who have registered.	5,850	5,999	149	✓
(ii) Employees for whom contributions have been made.	86,000	87,412	1,412	✓
(iii) Long service leave contribution rate.	0.75%	0.75%	-	✓
(iv) Annual return from investments.	6.5%	8.9%	3.7%	✓
(v) Employees who have received a long service leave payment.	5,100	4,778	(322)	*
(vi) Qualifying service profile of registered employees (total qualified for a long service leave benefit).	22,700	23,357	657	✓
Service: Management of the Construction Industry Long Service Leave scheme.				
Key Efficiency Indicators:				
(i) Average administrative cost per registered employee.	\$66.00 p.a.	\$61.99 p.a.	(\$4.01 p.a.)	✓
(ii) Full time equivalent Board staff per registered employees.	0.27	0.28	0.01	*

(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.

(3) The following symbols indicate the outcome of the key performance indicators:

- ✓ Performance target achieved or exceeded
- * Performance target not achieved

Significant Issues Impacting the Board

Current and Emerging Issues and Trends

The key trend for MyLeave to monitor is activity in the Western Australian construction industry. As detailed in the Year in Review section, quarterly worker data submitted by employers indicates a 3.4% increase in workers receiving contributions, reflecting continued growth in construction activity and employment across the State.

Housing

Western Australia's housing market remained one of the strongest in Australia during 2025 and early 2026, driven by strong population growth, interstate migration and resilient economic conditions. This sustained demand has continued to place pressure on housing supply, contributing to ongoing affordability challenges.

Housing supply remains constrained by labour shortages, elevated construction costs and limited development-ready land. Detached housing commencements are forecast to reach 19,610 dwellings in 2025/26, while multi-unit commencements are expected to increase by 28.9% to 4,890 dwellings, reflecting growing activity across both sectors. Despite this increase in construction activity, demand is expected to continue to outpace supply.

Housing affordability remains under pressure, with Perth recording the strongest dwelling price growth of any Australian capital city. Looking ahead, strong population growth, low unemployment and a resilient economy are expected to support continued housing demand, with supply constraints likely to persist in the medium term despite an improving construction outlook.¹

General Construction

As of May 2026, the Australian Construction Industry Forecasting Council (ACIF) released updated historical data and forecasts for construction activity in Western Australia.²

In 2024/25, total building and construction activity increased by 2.7% to \$53.7 billion, with residential construction growing by 8.2%. Total construction activity is forecast to remain relatively stable at approximately \$51.0 billion in 2025/26 before gradually increasing to \$55.5 billion by 2029/30.

While growth is expected to moderate from the levels experienced in recent years, construction activity is forecast to remain historically strong. The transition of major LNG and iron ore projects from construction to operational phases is expected to moderate engineering construction activity, however, ongoing investment in residential, non-residential and infrastructure projects should continue to support demand for construction labour across Western Australia.

¹ HIA State Outlook (Western Australia) – Autumn Edition 2026

² Australian Construction Market Report – May 2026 Table 9.9

Value of Construction in Western Australia Actual Value (\$million)					
	2020-21	2021-22	2022-23	2023-24	2024-25
Residential building	11,900	11,000	11,800	12,200	13,200
Non-Residential building	4,800	5,600	6,100	6,400	6,900
Engineering construction	23,700	23,600	28,500	33,700	33,600
Total construction	40,500	40,200	46,400	52,300	53,700

Value of Construction in Western Australia Forecast Value (\$million)					
	2025-26	2026-27	2027-28	2028-29	2029-30
Residential building	12,900	12,600	13,000	13,300	13,500
Non-Residential building	6,500	6,800	6,800	6,900	6,900
Engineering construction	31,600	33,300	33,500	34,400	35,000
Total construction	51,000	52,600	53,300	54,500	55,500

Financial Position and Key Risk Factors

MyLeave remains focused on achieving its objective of minimising the contribution rate payable by employers while maintaining a financially sustainable funding position. During the year, this objective continued to be challenged by increasing wage levels and strong growth in industry participation, with higher numbers of registered workers contributing to an increase in long service leave liabilities.

The employer contribution rate has been maintained at 0.75%, effective from January 2025. While this rate remains appropriate given the current funding position, ongoing growth in liabilities is expected to place upward pressure on future contribution rates. MyLeave will continue to monitor and manage these pressures prudently to ensure sufficient funds are available to meet future long service leave obligations.

The following factors may impact MyLeave's future financial position.

1) Contribution Levy Below Long-Term Cost

The current contribution levy remains below MyLeave's estimated long-term cost of approximately 1.1% required to fund long service leave benefits and administration costs. At expected long-term investment return levels, investment earnings have the capacity to fund annual long service leave payments and operational expenses, supporting the continuation of a contribution rate below the long-term cost.

Strong investment returns achieved during the year have assisted in maintaining the contribution levy at 0.75%. However, continued growth in long service leave liabilities, driven by increasing wage levels and workforce growth, may limit MyLeave's ability to maintain contribution rates below the long-term cost over the longer term. Should liability growth persist at recent levels, lower contribution income from employers may place pressure on funding adequacy. Conversely, maintaining a relatively low contribution levy assists in reducing the financial burden on employers and may reduce the risk of employer default.

2) Wage Inflation and Growth in Construction Employment

The construction industry continues to experience strong demand and ongoing shortages of skilled labour. As a result, wages across the sector may increase at rates above historical averages.

Sustained wage growth above actuarial assumptions would increase the value of long service leave liabilities and place additional pressure on MyLeave's funding position. Similarly, continued growth in the number of registered construction workers will increase future long service leave obligations. While these factors may affect the funding ratio, any resulting funding pressures can be managed through measured adjustments to contribution rates over time, rather than requiring significant or sudden increases.



3) Movement in Government Bond Rates

Government bond rates are used to discount future cash flows when determining the present value of long service leave liabilities. This methodology reflects a prudent approach, as it utilises a low-risk market-based rate rather than expected investment returns, which are generally higher and would result in a lower liability valuation.

Recent increases in government bond rates have reduced the calculated value of long service leave liabilities. Conversely, a significant decline in bond rates would increase the present value of these liabilities and place upward pressure on MyLeave's funding position. Accordingly, movements in government bond rates are monitored regularly to assess their impact on liabilities, with consideration given to any implications for future employer contribution rates.

4) Drawdown of Investment Assets to Fund Benefits and Operations

Contribution income has increased in recent years, in part because the contribution levy has been set closer to MyLeave's long-term funding requirements. As a result, reliance on investment asset drawdowns has reduced. Nevertheless, investment funds will continue to be utilised to meet long service leave benefit payments, operational expenditure and administration costs. The impact of these drawdowns is expected to be partially offset by investment earnings, which remain an important component of MyLeave's long-term funding strategy.

5) Increasing Number of Benefit Payments

The number and value of long service leave payments made to workers have remained relatively stable at approximately 5,000 payments per annum. Over time, however, the number of payments is expected to increase as a growing proportion of workers reach the qualifying service period and become entitled to benefits.

An increase in benefit payments is consistent with the purpose of MyLeave and reflects the successful delivery of long service leave benefits to eligible workers. While higher payment volumes will increase cash outflows, these obligations are incorporated into MyLeave's long-term funding and actuarial planning processes.

During the year, the Board completed a review of the statutory interpretation of "ordinary pay", which may affect both employer contributions and worker entitlements. Provisions have been recognised within the long service leave liability to address the remediation of historical payments and to reflect the anticipated impact of increased future benefit payments.



MyLeave management will continue to work closely with industry participants, employers and Board Members to identify emerging risks and opportunities. Through ongoing monitoring, prudent financial management and timely decision-making, MyLeave is well positioned to maintain its financial sustainability and continue meeting its obligations to workers and employers.

“ MyLeave management will continue to work closely with industry participants, employers and Board Members to identify emerging risks and opportunities. ”

Changes in Written Law

The Government introduced the *Construction Industry Portable Paid Long Service Leave Amendment Bill 2025* to deliver on key election commitments and rectify long-standing legislative anomalies. The Bill successfully passed the Parliament of Western Australia and received Royal Assent 28 August 2025. The amendments delivered four key structural changes;

- Vessel Coverage Expansion: Extended coverage to construction workers performing eligible work while on vessels and floating structures in Western Australian waters.
- Service Accrual Rectification: Resolved a legislative anomaly by ensuring days of service continue to accrue while a worker is stood down or on workers' compensation.
- Compassionate Early Access: Introduced pro-rata entitlement access before seven years of service for workers facing total and permanent incapacity, terminal illness, or in the case of death.
- Modernised Governance: Optimised MyLeave Board efficiencies by establishing the capability to hold remote meetings, circular resolutions, and formal acting Board Chair arrangements.

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 2025/2026. However, expenses of \$1,266,000 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 as at 30 June 2026 compared with previous years are listed in the table below.

Staff Profile	2026	2025
Full time permanent	28.0	26.0
Full time contract	12.0	3.0
Part time measured on an FTE basis	1.8	1.4
On secondment	Nil	Nil
Total	*41.8	30.4

* Excludes 1 FTE on parental leave as at 30 June 2026.

Staff Development

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

Work Health and Safety and Injury Management

MyLeave 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*. The reportable statistics for the year are:

Measures	2026	2025	2024	Targets	Comment on Outcome
Number of fatalities	0	0	0	0	Nil
Incidence of work-related injury or illness	0	0	0	Reduce by 2% per year and 15% by 2033 compared with 2023	Nil
Incidence rate of serious claims with one or more weeks' lost time	0	0	0	Reduce by 2.5% per year and 20% by 2033 compared with 2023	Nil
Incidence rate of claims resulting in permanent impairment	0	0	0	Reduce by 2% per year and 15% by 2033 compared with 2023	Nil
Incidence rate of work- related respiratory disease	0	0	0	Reduce by 2.5% per year and 20% by 2033 compared with 2023	Nil

Measures	2026	2025	2024	Targets	Comment on Outcome
Managers and supervisors trained in:					
1. work health and safety as relevant to the PCBU's risk profile; and	18%	100%	90%	Greater than or equal to 80% of cohort trained within last two (2) years	2 out of 11 managers/ supervisors trained in the last 2 years. Others were trained prior to 30 June 2024.
2. injury management	0%	0%	0%	Greater than or equal to 80% of cohort trained within last five (5) years	Training to be arranged in second half of 2026.
Percentage of workers returned to work on full duties and hours					
1. within 13 weeks	N/A	N/A	N/A	No target	Nil
2. within 26 weeks	N/A	N/A	N/A	Greater than or equal to 70% returned to work within 26 weeks	Nil
Agency has a WHS management system that has been independently assessed in last five years	No	Yes	Yes	Yes	WHS management system last assessed in 2021.
Consultative systems:					
1. Number of health and safety representatives					
a. in total;	1	1	1		Nil
b. who have attended HSR training;	1	1	1		Nil
c. shown as a percentage of workers;	2.4%	3.3%	3.6%		Nil
d. shown as a ratio to the number of workplaces occupied by the Agency; and	1:1	1:1	1:1	No target	Nil
2. Name/s of health and safety committees and sub-committees	Workplace Health and Safety Committee	Nil	Nil		WHS Committee established in 2026.

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 MyLeave.

Insurance premiums paid to indemnify members of the Board

An insurance policy has been implemented 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 insurance paid for 2025/2026 was \$22,977 (ex GST).

Other Legal Requirements

Act of Grace Payments

(*Financial Management Act 2006, Sections 30(1) and 74(1)*)

The following Act of Grace payments were made during 2025–26 and approved by the Minister under section 80(1) of the *Financial Management Act 2006*, pursuant to powers delegated by the Treasurer under section 74(1) of the Act.

Recipient	Payment Date	Amount of Payment	Purpose of Payment
Father of a deceased employee	1 Oct 2025	\$638.48	Payment of a deceased employee's long service leave entitlement to the employee's father, as there was no estate, spouse, or de facto partner entitled to receive the benefit.
Employer	17 Feb 2026	\$4,331.00	Reimbursement to an employer in respect of long service leave previously paid to an employee before the implementation of a revised interpretation regarding the eligibility of registered workers in eligible job roles.

Unauthorised Use of Credit Cards

Officers of MyLeave hold corporate credit cards where their functions warrant usage of this facility. Each cardholder is reminded of their obligations under MyLeave's credit card policy. No instances of personal expenditure on corporate credit cards were identified during the financial year.

Advertising, market research, polling, and direct mail

Electoral Act 1907

In accordance with section 175ZE of the *Electoral Act 1907*, MyLeave incurred the following expenditure in advertising, market research, polling, direct mail, and media advertising. Total expenditure for 2024/2025 was \$109,173 (ex GST).

Expenditure was incurred in the following areas.

Expenditure	Organisation	Amount (\$)	Total (\$)
Direct mail	Zipform ⁽¹⁾	\$56,735	\$56,735
Media advertising	Ark Media	\$3,150	\$7,513
	Housing Industry Association	\$4,363	
Recruitment advertising	Initiative Media	\$2,168	\$2,630
	Institute of Internal Auditors	\$462	
Grand total			\$66,878

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

Disability Access and Inclusion

(Disability Services Act 1993, Section 2)

MyLeave'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.

Compliance with Public Sector Standards & Ethical Codes

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

MyLeave 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)

MyLeave is committed to ongoing compliance with the *State Records Act 2000* and to sound recordkeeping practices. MyLeave'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.

Government Policy Requirements

Consultant expenditure

MyLeave did not engage any consultants during the reporting period under a fee for service contract to provide professional advice or information that includes strategic advice for the State Government to act on.

WA Multicultural Policy Framework

A multicultural plan for the 2025/2026 financial year has not been submitted and is to be developed. In the March 2026 quarterly entity profile, the Board had 13 staff who advised they are from culturally and linguistically diverse backgrounds representing 33.3% of the workforce and exceeding the public sector target of 15.5%.

Substantive Equality

MyLeave is an Equal Opportunity Employer and encourages Indigenous Australians, young people, people from culturally diverse backgrounds and women to apply for advertised positions. MyLeave 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.

Corruption Prevention

MyLeave'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.

National Strategic Plan for Asbestos Awareness and Management 2024-2030

MyLeave currently leases office accommodation at 503 Murray Street, Perth for its business operations. The 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.

Freedom of Information

(Freedom of Information Act 1992)

There were no Freedom of Information applications received in the 2025/2026 financial year.

Information Enquiries

Requests for access to documents should be made, in the first instance, to MyLeave'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.

Annual Estimates

Treasurer's Instructions (TI) 9 Requirement 3

The Minister for Industrial Relations, Hon Simone McGurk MLA, noted the following Budget Estimates for the 2026/2027 financial year on 16 April 2026 under section 41 of the *Financial Management Act 2006*.

STATEMENT OF COMPREHENSIVE INCOME	Estimate \$000
INCOME	
Investment income	46,000
TOTAL INCOME	46,000
EXPENSES	
Employee benefits expense	(5,730)
Supplies and services	(2,000)
Depreciation and amortisation expense	(280)
Finance costs	(100)
Accommodation expenses	(140)
Other expenses	(790)
Non-recurring project expenses	(500)
TOTAL EXPENSES	(9,540)
NET RESULT FROM OPERATING ACTIVITIES	36,460
NET CHANGE IN ACCRUED LSL LIABILITIES	
Contribution income from employers	44,000
Long service leave payments	(58,500)
(Increase)/decrease in provision	(17,900)
NET CHANGE IN ACCRUED LSL LIABILITIES	(32,400)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	4,060

Annual Estimates (continued)

STATEMENT OF FINANCIAL POSITION	Estimate \$000
ASSETS	
Current Assets	
Cash and cash equivalents	87,973
Receivables	2,684
Other current assets	10,923
Financial assets	627,101
Total Current Assets	728,681
Non-Current Assets	
Restricted cash and cash equivalents	210
Property, plant and equipment	200
Right-of-use assets (leased assets)	926
Total Non-Current Assets	1,336
TOTAL ASSETS	730,017
LIABILITIES	
Current Liabilities	
Accrued long service leave benefits liabilities	394,649
Payables	500
Lease liabilities	202
Employee related provisions	534
Total Current Liabilities	395,885
Non-Current Liabilities	
Accrued long service leave benefits liabilities	188,843
Lease liabilities	863
Employee related provisions	463
Total Non-Current Liabilities	190,169
TOTAL LIABILITIES	586,054
NET ASSETS	143,963
EQUITY	
Operating profit/(loss)	4,060
Retained earnings	139,903
TOTAL EQUITY	143,963

Annual Estimates (continued)

STATEMENT OF CASH FLOWS	Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts	
Receipts from employers	43,500
Interest received	4,000
GST receipts from taxation authority	166
Payments	
Employee benefits	(5,730)
Supplies and services	(2,500)
Finance costs	(40)
Accommodation	(140)
Payments for long service leave	(58,500)
GST payments on purchases	(220)
Other payments	(589)
Net cash provided by/(used in) operating activities	(20,053)
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts	
Proceeds from sale of investments	25,040
Distributions received	17,000
Payments	
Purchase of financial assets	(21,609)
Purchase of non-current assets	(80)
Net cash provided by/(used in) investing activities	20,351
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal elements of lease payments	(239)
Net cash provided by/(used in) financing activities	(239)
Net increase/(decrease) in cash and cash equivalents	59
Cash and cash equivalents at the beginning of the period	88,124
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	88,183





Financial Statements and Key Performance Indicators

2025-26



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 2026 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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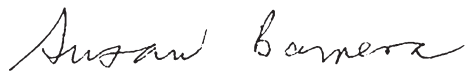
Disclosures and Legal Compliance

Certification of financial statements

For the financial year ended 30 June 2026

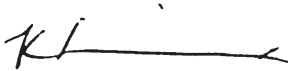
The accompanying financial statements of the Construction Industry Long Service Leave Payments Board have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2026 and the financial position as at 30 June 2026.

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.



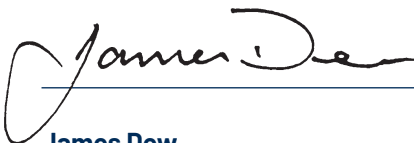
Susan Barrera
Chair

14 August 2026



Kate Schick
Member of the Board

14 August 2026



James Dew
Chief Finance Officer

14 August 2026

Statement of Comprehensive Income

For the year ended 30 June 2026

	Notes	2026 (\$'000)	2025 (\$'000)
INCOME			
Investment income	2.1; 2.2; 2.3	61,139	68,554
Other income	2.4	16	7
TOTAL INCOME		61,155	68,561
EXPENSES			
Employee benefits expenses	3.1(a)	5,284	3,820
Supplies and services	3.2	2,791	2,429
Depreciation and amortisation expenses	4.1; 4.2	375	347
Finance costs	6.3	110	97
Accommodation expenses	3.2	23	504
Other expenses	3.2	847	578
TOTAL EXPENSES		9,430	7,775
NET RESULT FROM OPERATING ACTIVITIES		51,725	60,786
CHANGE IN ACCRUED LSL LIABILITIES			
Contribution income from employers		45,090	34,405
Long service leave payments		(47,928)	(46,718)
Increase in provision		(13,808)	(43,823)
NET CHANGE IN ACCRUED LSL LIABILITIES	5.3	(16,646)	(56,136)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		35,079	4,650

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

Statement of Financial Position

As at 30 June 2026

	Notes	2026 (\$000)	2025 (\$000)
ASSETS			
Current Assets			
Cash and cash equivalents	6.4	6,460	89,183
Receivables	5.1	1,455	728
Other current assets	5.2	11,399	10,930
Financial assets	6.1	168,817	84,378
Total Current Assets		188,131	185,219
Non-Current Assets			
Restricted cash and cash equivalents	6.4	210	210
Property, plant and equipment	4.1	194	229
Right-of-use assets	4.2	1,117	1,422
Financial assets	6.1	545,314	499,307
Total Non-Current Assets		546,835	501,168
TOTAL ASSETS		734,966	686,387
LIABILITIES			
Current Liabilities			
Accrued long service leave benefits liabilities	5.3	369,701	362,923
Payables	5.4	773	653
Lease liabilities	6.2	176	305
Employee related provisions	3.1(b)	785	569
Other current liabilities	5.5	-	300
Total Current Liabilities		371,435	364,750
Non-Current Liabilities			
Accrued long service leave benefits liabilities	5.3	180,692	173,662
Lease liabilities	6.2	1,045	1,221
Employee related provisions	3.1(b)	424	463
Total Non-Current Liabilities		182,161	175,346
TOTAL LIABILITIES		553,596	540,096
NET ASSETS		181,370	146,291
EQUITY			
Retained earnings		181,370	146,291
TOTAL EQUITY		181,370	146,291

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

Statement of Changes in Equity

For the year ended 30 June 2026

	Notes	Total equity (\$'000)
Balance at 1 July 2024		141,641
Net result from operating activities		60,786
Net change in accrued LSL liabilities		(56,136)
Total comprehensive income for the period		4,650
Balance at 30 June 2025		146,291
Balance at 1 July 2025		146,291
Net result from operating activities		51,725
Net change in accrued LSL liabilities		(16,646)
Total comprehensive income for the period		35,079
Balance at 30 June 2026		181,370

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

Statement of Cash Flows

For the year ended 30 June 2026

	Notes	2026 (\$000)	2025 (\$000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from employers		42,824	30,155
Interest received		3,767	4,016
GST receipts from taxation authority		255	207
Payments			
Employee benefits		(5,108)	(3,618)
Supplies and services		(2,235)	(2,406)
Finance costs		(35)	(31)
Accommodation		(323)	(203)
Payments for long service leave		(47,928)	(46,718)
GST payments on purchases		(338)	(327)
Other payments		(572)	(457)
Net cash used in operating activities		(9,693)	(19,382)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of investments		-	213,626
Distributions received		18,267	23,770
Payments			
Purchase of financial assets		(91,094)	(211,081)
Purchase of non-current assets		(34)	(179)
Net cash (used in)/provided by investing activities		(72,861)	26,136
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal elements of lease payments		(379)	(381)
Net cash used in financing activities		(379)	(381)
Net (decrease)/increase in cash and cash equivalents		(82,933)	6,373
Cash and cash equivalents at the beginning of the period		89,393	83,020
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.4	6,460	89,393

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

Notes to the financial statements

For the year ended 30 June 2026

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 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 14 August 2026.

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 year ended 30 June 2026

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	2026 (\$000)	2025 (\$000)
Investment revenue	2.1	18,288	22,980
Analysis of gains from investments	2.2	39,007	41,571
Interest revenue	2.3	3,844	4,003
Other income	2.4	16	7

Contribution income from employers is disclosed in note 5.3.

2.1 Investment revenue

	2026 (\$000)	2025 (\$000)
Distributions from managed funds	18,288	22,980
	18,288	22,980

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 from investments

	2026 (\$000)	2025 (\$000)
Investments realised during the period		
Securities in listed entities	-	12,724
Total realised gains	-	12,724
Investments held at reporting date		
Fixed interest securities	(1,341)	3,456
Securities in listed entities	40,348	25,391
Total unrealised gains	39,007	28,847
Net gains from investments	39,007	41,571

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 year ended 30 June 2026

2.3 Interest revenue

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

2026 (\$000)	2025 (\$000)
3,844	4,003
3,844	4,003

Interest revenue is recognised as the interest accrues.

2.4 Other income

Resources received from other public sector entities
Total other income

2026 (\$000)	2025 (\$000)
16	7
16	7

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	2026 (\$000)	2025 (\$000)
Employee benefits expenses	3.1(a)	5,284	3,820
Employee related provisions	3.1(b)	1,209	1,032
Other expenditure	3.2	3,661	3,511

3.1(a) Employee benefits expenses

Employee benefits
 Superannuation – defined contribution plans
Total employee benefits provided

2026 (\$000)	2025 (\$000)
4,804	3,441
480	379
5,284	3,820

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), West State Super, other GESB Super, or other superannuation funds.

Notes to the financial statements

For the year ended 30 June 2026

3.1(b) Employee related provisions

	2026 (\$000)	2025 (\$000)
Current		
<u>Employee benefits provisions</u>		
Annual leave	404	343
Long service leave	339	195
	743	538
<u>Other provisions</u>		
Employment on-costs	42	31
Total current employee related provisions	785	569
Non-current		
<u>Employee benefits provisions</u>		
Long service leave	402	438
	402	438
<u>Other provisions</u>		
Employment on-costs	22	25
Total non-current employee related provisions	424	463
Total employee related provisions	1,209	1,032

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.

Notes to the financial statements

For the year ended 30 June 2026

3.1(b) Employee related provisions (continued)

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.

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 provisions recognised

Carrying amount at end of period

2026 (\$000)	2025 (\$000)
56	43
8	13
64	56

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 year ended 30 June 2026

3.2 Other expenditure

	2026 (\$000)	2025 (\$000)
Supplies and services		
Communications	235	174
Consultants and contractors	1,793	1,532
Consumables	629	575
Other supplies and services expenses	134	148
Total supplies and services expenses	2,791	2,429
Accommodation expenses		
Lease rentals	174	164
Repairs, maintenance and accommodation improvements	(172)	328
Light and power	10	6
Other accommodation expenses	11	6
Total accommodation expenses	23	504
Other expenses		
Board members' fees	168	151
Audit & Risk Committee fees	9	6
Payroll related expenses	254	196
Employment on-costs	38	41
Expected credit loss expense	276	121
Insurances	69	57
Motor vehicle expenses	6	6
Loss on disposal of non-current assets	27	-
Total other expenses	847	578
Total other expenditure	3,661	3,511

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 \$1,266,000 (2025: \$932,000) 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. The new system was commissioned in March 2026 and is currently subject to 'run and stabilise' as at the reporting date.

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.

Notes to the financial statements

For the year ended 30 June 2026

3.2 Other expenditure (continued)

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 which case the costs are capitalised and depreciated. Where a lease agreement requires the Board to restore premises to their original state upon termination, the estimated cost of restoration is recognised as a provision and added to the cost of the related leasehold improvement asset at lease commencement, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. The office lease at 50 Colin Street, West Perth expired on 28 February 2026. The actual restoration costs incurred were less than the \$300,000 provision recognised in the prior year. The difference was recognised as a credit in the current year, representing the reversal of the excess provision and the corresponding prior year expense adjustment. Refer to note 5.5 other liabilities.

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 year ended 30 June 2026

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	2026 (\$000)	2025 (\$000)
Property, plant and equipment	4.1	194	229
Right-of-use assets	4.2	1,117	1,422

4.1 Property, plant and equipment

Year ended 30 June 2026

1 July 2025

Gross carrying amount

Accumulated depreciation

Carrying amount at start of period

Additions

Disposals

Depreciation

Carrying amount at 30 June 2026

Reconciliation

Gross carrying amount

Accumulated depreciation

Carrying amount at 30 June 2026

	Furniture and fittings (\$000)	Office equipment (\$000)	Total (\$000)
1 July 2025			
Gross carrying amount	413	408	821
Accumulated depreciation	(239)	(353)	(592)
Carrying amount at start of period	174	55	229
Additions	5	56	61
Disposals	(27)	-	(27)
Depreciation	(30)	(39)	(69)
Carrying amount at 30 June 2026	122	72	194
<u>Reconciliation</u>			
Gross carrying amount	164	465	629
Accumulated depreciation	(42)	(393)	(435)
Carrying amount at 30 June 2026	122	72	194

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).

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 year ended 30 June 2026

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
Furniture and fittings	7 to 10 years
Office equipment	3 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 2026, there were no indications of impairment to property, plant and equipment.

Notes to the financial statements

For the year ended 30 June 2026

4.2 Right-of-use assets

Year ended 30 June 2026

	Office Accommodation (\$000)	Motor Vehicles (\$000)	Total (\$000)
Carrying amount at beginning of period	1,419	3	1,422
Additions	-	-	-
Depreciation	(303)	(2)	(305)
Net carrying amount as at end of period	1,116	1	1,117

The Board has leases for office accommodation and motor vehicles.

The Board had two leases for office accommodation during the reporting period.

The first lease was for office accommodation in West Perth. This was classified as a non-cancellable lease. The lease expired on 28 February 2026 and this office accommodation was subsequently derecognised as a right-of-use asset.

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. Rent is payable monthly in advance and is subject to a fixed annual increase of 3.75% over the lease term, which has been included in the measurement of the lease liability. The carrying amount was measured as at the commencement date. This is also classified as a non-cancellable lease.

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.

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.

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.

Notes to the financial statements

For the year ended 30 June 2026

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	2026 (\$000)	2025 (\$000)
Receivables	5.1	1,455	728
Other assets	5.2	11,399	10,930
Accrued long service leave benefits liabilities	5.3	550,393	536,585
Payables	5.4	773	653
Other liabilities	5.5	-	300

5.1 Receivables

	2026 (\$000)	2025 (\$000)
Current		
Employer debtors	1,739	773
Allowance for impairment of employer debtors	(349)	(139)
Other debtors	65	94
Total receivables	1,455	728

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 year ended 30 June 2026

5.2 Other assets

	2026 (\$000)	2025 (\$000)
Current		
Accrued contributions	11,262	9,877
Prepayments	137	597
Accrued term deposit interest	-	456
Balance at end of period	11,399	10,930

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 2026 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

	2026 (\$000)	2025 (\$000)
Opening balance	536,585	492,762
Increase in provision	13,808	43,823
Balance at end of period	550,393	536,585
Contribution income from employers	45,090	34,405
Long service leave payments	(47,928)	(46,718)
Net change in accrued LSL liabilities	28,632	52,802
Net change in retrospective application of statutory interpretations	2,104	2,193
Net change in prospective application of statutory interpretations	(14,090)	1,141
Increase in provision	13,808	43,823

The total net change in accrued LSL liabilities in the Statement of Comprehensive Income (\$16,646,000) comprises the net change in accrued LSL liabilities (\$28,632,000), net change in retrospective application of statutory interpretations (\$2,104,000) and net change in prospective application of statutory interpretations \$14,090,000.

The liability is allocated as follows:

Current

	2026 (\$000)	2025 (\$000)
Accrued long service leave benefits liability	345,404	331,397
Provision for retrospective application of statutory interpretations	24,297	22,193
Provision for prospective application of statutory interpretations	-	9,333
Current sub-total	369,701	362,923

Non-current

	2026 (\$000)	2025 (\$000)
Accrued long service leave benefits liability	180,692	168,905
Provision for prospective application of statutory interpretations	-	4,757
Non-current sub-total	180,692	173,662
Total accrued long service leave benefits liability	550,393	536,585

Notes to the financial statements

For the year ended 30 June 2026

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 forward rates derived from Commonwealth Government bonds. 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 year ended 30 June 2026

5.3 Accrued long service leave benefits liability (continued)

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

2026				
Rate of workers' future pay increases ¹	5.0% per annum. Apprentices further subject to minimum rates for award free apprentices published by DLGIRS			
Discount rate	Forward rates implied by government bond yields. Weighted average rate of 5.1% per annum based on the discounted mean term of liabilities of 8.6 years			
Years Since Registration	Termination Rate ²		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%

2025				
Rate of workers' future pay increases ¹	5.0% per annum. Apprentices further subject to minimum rates for award free apprentices published by DLGIRS			
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 ²		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%

1. 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.
2. The termination rates are the adopted assumptions by years since registration only. The actual termination rates depend on the actual mix of employee in each cohort based on their gender, age and years since registration.

Notes to the financial statements

For the year ended 30 June 2026

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	2026:	5.1%	+1.0% / -1.0%	(39,737) / 47,102
	2025:	4.5%	+1.0% / -1.0%	(38,738) / 46,096
Pay inflation	2026:	5.0%	+1.0% / -1.0%	46,662 / (40,092)
	2025:	5.0%	+1.0% / -1.0%	45,317 / (38,809)
Participation rate	2026:	Various depending on years since registration & classification	+5.0% / -5.0%	2,970 / (3,004)
	2025:	Various depending on years since registration & classification	+5.0% / -5.0%	2,601 / (2,775)
Termination rate	2026:	Various depending on years since registration & classification	-5.0% / +5.0% (remaining in Scheme)	(25,950) / 23,329
	2025:	Various depending on years since registration & classification	-5.0% / +5.0% (remaining in Scheme)	(27,909) / 27,973

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 year ended 30 June 2026

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 133% (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 2026 (2025: 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 2026, before allowance for inflation and discounting, is \$346,433,000 (2025: \$317,791,000).

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.

In 2024, the Board 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 \$24.297 million (2025: \$22.193 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 2026, the actuary has also considered prospective financial impacts relating to the revised application of statutory interpretations. From the October – December 2025 quarter, employers were required to report contributions using the revised interpretation of ordinary pay for casual workers. On this basis, the actuary no longer considers a prospective adjustment is required as the revised interpretation is already included in the assessed long service leave liabilities at 30 June 2026. Accordingly, the provision for the prospective application of statutory interpretations as at 30 June 2026 is nil (2025: \$14.090 million).

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 year ended 30 June 2026

5.4 Payables

	2026 (\$000)	2025 (\$000)
Current		
Trade payables	447	434
Accrued salaries and superannuation	193	128
Accrued expenses	133	91
Balance at end of period	773	653

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

	2026 (\$000)	2025 (\$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 required the Board to restore the premises to its original state prior to the termination of the lease. Accordingly, a \$300,000 provision for restoration works was recognised in the prior year. The lease expired on 28 February 2026 and the unused portion of the restoration works provision was unwound as at the expiry date. Refer to note 3.2 accommodation expenses (repairs, maintenance and accommodation improvements) for more information regarding the corollary unwinding of the prior year expense.

Notes to the financial statements

For the year ended 30 June 2026

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

	2026 (\$000)	2025 (\$000)
Current		
<u>At valuation:</u>		
1. First Rate Cash	33,949	33,953
2. First Sentier Wholesale Strategic Cash	44,365	44,361
	78,314	78,314
<u>Term deposits (> 3 months maturity):</u>		
a. Bendigo Bank	27,950	-
b. Westpac Banking Corporation	55,934	-
	83,884	-
Accrued term deposit interest	533	-
Accrued distributions	6,086	6,064
	6,619	6,064
Non-current		
<u>At valuation:</u>		
1. Western Asset Australian Bond Fund	24,064	22,901
2. PIMCO Wholesale Global Bond Fund	25,262	24,251
3. Macquarie Income Opportunity Fund	25,289	24,165
4. UBS Wholesale Diversified Fixed Income Fund	27,073	24,714
5. Vanguard Australian Shares Index Fund	103,282	100,280
6. State Street SPDR S&P/ASX 200 Index Fund	67,743	66,308
7. Vanguard International Share Index Fund (Hedged)	65,273	55,313
8. Vanguard International Share Index Fund	129,110	113,840
9. iShares S&P 500 Index Fund	53,520	46,776
10. iShares S&P 500 Index Fund (Hedged)	24,698	20,759
	545,314	499,307
Total financial assets	714,131	583,685

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 year ended 30 June 2026

6.1 Financial assets (continued)

Financial assets comprising cash-based managed funds are presented as current assets as they are intended to provide sufficient funding to meet the Board's short-term operational and financial obligations. Conversely, financial assets comprising fixed interest and equity managed funds are presented as non-current assets as they are intended to be held long-term to meet future accrued long service leave benefit liabilities.

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. Previously, term deposits had maturities of 3 months and accordingly, these funds were classified as 'cash and cash equivalents' in the balance sheet (refer to note 6.4). During the current reporting period, term deposits were re-invested with maturities greater than 3 months and are therefore re-classified as 'financial assets' in the balance sheet.

Reclassification of comparative period

During the reporting period, the classification of financial assets were reviewed and determined that fixed interest and equity managed funds previously classified as current financial assets should be presented as non-current financial assets. Accordingly, these balances, together with the related comparative amounts, have been reclassified from current to non-current financial assets to align with their intended use which are expected to be utilised after 12 months from reporting date. The reclassification has been applied retrospectively to improve the consistency and relevance of presentation. The reclassification affects only the presentation of financial assets within the statement of financial position and has no impact on the Board's total assets, cash flow, overall liquidity of financial assets and restricted or unrestricted funds. Accordingly, the Board believes that the change does not affect users' decision making or their understanding of the financial statements.

6.2 Lease liabilities

	2026 (\$000)	2025 (\$000)
Not later than one year	176	305
Later than one year and not later than five years	947	845
Later than five years	98	376
	1,221	1,526
Current	176	305
Non-current	1,045	1,221
	1,221	1,526

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.

Notes to the financial statements

For the year ended 30 June 2026

6.2 Lease liabilities (continued)

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).

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.

	2026 (\$000)	2025 (\$000)
Lease expenses recognised in the Statement of Comprehensive Income		
Lease interest expense	74	66
Total lease expense	74	66

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

6.3 Finance costs

	2026 (\$000)	2025 (\$000)
Finance costs		
Interest expense on lease liabilities	74	66
Bank fees	36	31
Finance costs expensed	110	97

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 year ended 30 June 2026

6.4 Cash and cash equivalents

	2026 (\$000)	2025 (\$000)
Cash and cash equivalents	6,460	89,183
Restricted cash and cash equivalents	210	210
Balance at end of period	6,670	89,393

Cash and cash equivalents

Current

	2026 (\$000)	2025 (\$000)
Commonwealth Bank Cash Accounts	3,778	2,431
First Wrap Plus Cash Account	2,682	6,418
Term Deposits (3-month maturities)	-	80,334
	6,460	89,183

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.

During the current reporting period, term deposits were re-invested with maturities greater than 3 months. Accordingly, term deposits are re-classified as 'financial assets' in the balance sheet. Refer to note 6.1.

Restricted cash and cash equivalents

Non-current

	2026 (\$000)	2025 (\$000)
Bank guarantee	210	210
	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 2026 reporting period (2025: nil).

Notes to the financial statements

For the year ended 30 June 2026

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	2026 (\$000)	2025 (\$000)
<u>Financial assets</u>			
Cash and cash equivalents	6.4	6,460	89,183
Restricted cash and cash equivalents	6.4	210	210
Receivables ^(a)	5.1	1,455	728
Other assets	5.2	11,262	10,333
Financial assets	6.1	714,131	583,685
Total financial assets		733,518	684,139
<u>Financial liabilities</u>			
Financial liabilities ^(b)	5.4, 5.5, 6.2	1,994	2,479
Total financial liabilities		1,994	2,479

(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 year ended 30 June 2026

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 year ended 30 June 2026

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 2026.

7.2.2 Contingent liabilities

During the 2023-24 reporting period, the Board completed a review of some statutory interpretations which could have affected entitlements for workers and contributions made by employers. The review concluded that revised interpretations should be applied, resulting in the recognition of provisions for retrospective and prospective application of the revised ordinary pay interpretation.

In 2024-25, the actuary reassessed both the retrospective and prospective impacts of the revised statutory interpretations, resulting in provisions of \$22.2 million and \$14.1 million respectively. Refer to note 5.3 accrued long service leave benefits liability for further information.

When measuring the accrued long service leave benefits liability as at 30 June 2026, the actuary again re-considered the retrospective and prospective financial impacts relating to the revised application of statutory interpretations. A provision for \$24.3 million for retrospective application of the revised ordinary pay interpretation has been recognised. Since the revised statutory interpretations have been adopted in the current reporting period, the prospective impact is no longer separately identifiable and measurable. Prospective financial impacts have been included as part of the overall actuarial valuation of accrued long service leave benefits.

The Board is not aware of any contingent liabilities existing as at 30 June 2026.

Notes to the financial statements

For the year ended 30 June 2026

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 2026:

- AASB 2023-5 – Amendments to Australian Accounting Standards – Lack of Exchangeability;
- AASB 2024-4a – Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128;
- AASB 2026-1 – Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements.

The standards effective after 1 July 2026 are not expected to have a material impact on the Board's accounts.

Notes to the financial statements

For the year ended 30 June 2026

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 (\$)	2026	2025
0 – 10,000	-	2
10,001 – 20,000	1	1
20,001 – 30,000	5	4
40,001 – 50,000	1	1
	2026	2025
	(\$000)	(\$000)
Total compensation of members of the accountable authority	168	151

One Board position was vacant at the commencement of the reporting period and the Minister appointed a new member to the position in September 2025. The Minister re-appointed one Board member for a subsequent three-year term in September 2025.

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 (\$)	2026	2025
50,001 – 100,000	-	1
150,001 – 200,000	2	-
200,001 – 250,000	2	3
300,001 – 350,000	1	1
	2026	2025
	(\$000)	(\$000)
Short-term employee benefits	972	874
Post employment benefits	125	113
Other long-term benefits	43	42
Total compensation of senior officers	1,140	1,029

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

Notes to the financial statements

For the year ended 30 June 2026

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:

	2026 (\$000)	2025 (\$000)
Auditing the accounts, financial statements, controls, and key performance indicators	41	40

8.8 Supplementary financial information

(a) Write-offs

	2026 (\$000)	2025 (\$000)
The accountable authority	66	122
The Minister	-	7,500
	66	7,622

During the financial year, \$66,000 (2025: \$122,000) was written off the Board's receivables ledger under the authority of the accountable authority (the Board).

Notes to the financial statements

For the year ended 30 June 2026

8.8 Supplementary financial information (continued)

Additionally, during the prior financial year, \$7,500,000 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 related 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 had not been invoiced or otherwise made legally payable by employers and no receivable or contributions income had been recognised in the financial statements. No similar write-offs were undertaken in the current reporting period.

(b) Losses through theft, defaults and other causes

	2026 (\$000)	2025 (\$000)
Losses of public money, other money and public and other property through theft or default	-	8
Total Losses	-	8
Amounts recovered	-	(1)
Net losses	-	7

During the prior 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. There were no similar losses in the current reporting period.

(c) Gifts of public property

There were no gifts of public property provided by the Board during the 2026 reporting period (2025: 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 2026, and between the actual results for 2026 and 2025 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 \$9,573,000), and
- Total Assets of the annual estimates for the Statement of Financial Position (i.e. 1% of \$673,000,000).

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 \$7,775,000), and
- Total Assets of the previous year for the Statement of Financial Position (i.e. 1% of \$686,000,000).

Notes to the financial statements

For the year ended 30 June 2026

8.9.1 Statement of Comprehensive Income Variances

	Variance note	Estimate 2026	Actual 2026	Actual 2025	Variance between actual and estimate	Variance between actual results for 2026 and 2025
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<u>Income</u>						
Investment income/(loss)	(1),(a)	42,000	61,139	68,554	19,139	(7,415)
Other income		-	16	7	16	9
Total income/(loss)		42,000	61,155	68,561	19,155	(7,406)
<u>Expenses</u>						
Employee benefits expenses	(b)	5,475	5,284	3,820	(191)	1,464
Supplies and services	(c)	3,045	2,791	2,429	(254)	362
Depreciation and amortisation expenses		370	375	347	5	28
Finance costs		95	110	97	15	13
Accommodation expenses	(2),(d)	183	23	504	(160)	(481)
Other expenses	(3),(e)	405	847	578	442	269
Total expenses		9,573	9,430	7,775	(143)	1,655
NET RESULT FROM OPERATING ACTIVITIES		32,427	51,725	60,786	19,298	(9,061)
CHANGE IN ACCRUED LSL LIABILITIES						
Contribution income from employers	(4),(f)	38,000	45,090	34,405	7,090	10,685
Long service leave payments		(51,000)	(47,928)	(46,718)	3,072	(1,210)
(Increase)/Decrease in provision		(25,400)	(13,808)	(43,823)	11,592	30,015
ACCRUED LSL LIABILITIES		(38,400)	(16,646)	(56,136)	21,754	39,490
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD		(5,973)	35,079	4,650	41,052	30,429

Notes to the financial statements

For the year ended 30 June 2026

8.9.1 Statement of Comprehensive Income Variances (continued)

Major Estimate and Actual (2026) Variance Narratives:

- (1) Investment income exceeded estimates by \$19.139 million (45.6%) due to strong domestic and international market returns. The actual investment return was a gain of 8.91%, outperforming the estimated return of 6.5%.
- (2) Accommodation expenses were under estimates by \$160,000 (87.4%) predominantly due to the unwinding of an unbudgeted \$300,000 provision as at 30 June 2025 for restoration (i.e. make-good) of leased office accommodation at 50 Colin Street, West Perth. The terms of the lease required the office accommodation to be restored to its original condition. The actual cost incurred for the restoration works was less than expected, resulting in an unwinding of the provision and the corollary prior year expense as at the lease expiry date.
- (3) Other expenses exceeded estimates by \$442,000 (109.1%). The estimates classified employment on-costs (\$292,000) as employee benefits expenses, however, they are treated as other expenses for the benefit of these financial statements. Additionally, the estimates included a doubtful debts expense equal to \$150,000, however, the actual result was \$276,000.
- (4) Net change in accrued LSL liabilities was under estimates by \$21.754 million (56.7%) due to a number of factors. Although total contribution income was higher than expected as a result of a higher volume of workers, the value of long service leave payments made to workers was lower than expected. The actuary's assessment of the LSL liabilities was lower than estimates, principally due to an increase in the discount rate.

Major Actual (2026) and Comparative (2025) Variance Narratives:

- (a) Investment income decreased by \$7.415 million (10.8%). Although strong domestic and international markets resulted in favourable investment outcomes this reporting period, the 8.91% return was lower than the 10.8% prior period return, resulting in lower levels of distributions from managed funds, interest income and gains from investments.
- (b) Employee benefits expense increased by \$1.464 million (38.3%) predominantly due to an additional 12.4 FTE to support a retrospective review of claims following revised statutory interpretations and temporary staff engaged for the March 2026 rollout of MyLeave's Dynamics platform. Finally, employee benefits expenses were comparatively higher due to 4 per cent salaries escalation in accordance with the *Public Sector CSA Agreement 2024*.
- (c) Supplies and services expenses increased by \$362,000 (14.9%) due to higher levels of communications (\$61,000), consultants and contractors (\$261,000) and consumables (\$54,000) expenses.

Notes to the financial statements

For the year ended 30 June 2026

8.9.1 Statement of Comprehensive Income Variances (continued)

- (d) Accommodation expenses decreased by \$481,000 (95.4%) predominantly due to the unwinding of an unbudgeted \$300,000 provision as at 30 June 2025 for restoration (i.e. make-good) of leased office accommodation at 50 Colin Street, West Perth. The terms of the lease required the office accommodation to be restored to its original condition. The actual cost incurred for the restoration works was less than expected, resulting in an unwinding of the provision and the corollary prior year expense as at the lease expiry date.
- (e) Other expenses increased by \$269,000 (46.5%) due to a higher level of doubtful debts expense (\$155,000), higher levels of payroll tax expenses (\$59,000) due to workforce growth, and higher Riskcover insurance premiums (\$12,000). Additionally, a Board vacancy was filled during the reporting period, resulting in an increase in Board members' fees (\$16,000).
- (f) Net change in accrued LSL liabilities decreased by \$39.490 million (70.3%) due to a number of factors. Although total contribution income was higher than the prior year comparative, payments to workers were also marginally higher. The balance movement of \$13.808 million was the result of the actuary's assessment of the LSL liabilities as at 30 June 2026, including the provision for retrospective application of revised statutory interpretations.

Notes to the financial statements

For the year ended 30 June 2026

8.9.2 Statement of Financial Position Variances

	Variance note	Estimate 2026	Actual 2026	Actual 2025	Variance between actual and estimate	Variance between actual results for 2026 and 2025
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
ASSETS						
<u>Current Assets</u>						
Cash and cash equivalents	(1), (a)	94,413	6,460	89,183	(87,953)	(82,723)
Receivables		1,177	1,455	728	278	727
Other current assets		9,375	11,399	10,930	2,024	469
Financial assets	(2), (b)	566,939	168,817	84,378	(398,122)	84,439
Total Current Assets		671,904	188,131	185,219	(483,773)	2,912
<u>Non-Current Assets</u>						
Restricted cash and cash equivalents		-	210	210	210	-
Property, plant and equipment		186	194	229	8	(35)
Right-of-use assets		971	1,117	1,422	146	(305)
Financial Assets	(2), (b)	-	545,314	499,307	545,314	46,007
Total Non-Current Assets		1,157	546,835	501,168	545,678	45,667
TOTAL ASSETS		673,061	734,966	686,387	61,905	48,579
LIABILITIES						
<u>Current Liabilities</u>						
Accrued long service leave benefits liabilities	(3), (c)	371,363	369,701	362,923	(1,662)	6,778
Payables		948	773	653	(175)	120
Lease liabilities		149	176	305	27	(129)
Employee related provisions		498	785	569	287	216
Other current liabilities		-	-	300	-	(300)
Total Current Liabilities		372,958	371,435	364,750	(1,523)	6,685
<u>Non-Current Liabilities</u>						
Accrued long service leave benefits liabilities	(3), (c)	181,437	180,692	173,662	(745)	7,030
Lease liabilities		916	1,045	1,221	129	(176)
Employee related provisions		316	424	463	108	(39)
Total Non-Current Liabilities		182,669	182,161	175,346	(508)	6,815
TOTAL LIABILITIES		555,627	553,596	540,096	(2,031)	13,500
NET ASSETS		117,434	181,370	146,291	63,936	35,079
EQUITY						
Retained earnings		117,434	181,370	146,291	63,936	35,079
TOTAL EQUITY		117,434	181,370	146,291	63,936	35,079

Notes to the financial statements

For the year ended 30 June 2026

8.9.2 Statement of Financial Position Variances (continued)

Major Estimate and Actual (2026) Variance Narratives:

- (1) Cash and cash equivalents were under estimates by \$87.953 million (93.2%). During the reporting period, term deposits with short term maturities of less than three months totalling \$83.884 million were reinvested in term deposits with varying maturities greater than three months. This resulted in the unbudgeted re-classification of these term deposits from cash and cash equivalent assets to financial assets.
- (2) Financial assets exceeded estimates by \$147.192 million (26.0%). During the reporting period, term deposits with short term maturities of less than three months totalling \$83.884 million were reinvested in term deposits with varying maturities greater than three months. This resulted in the unbudgeted re-classification of these term deposits from cash and cash equivalent assets to financial assets. The budget was modelled based on an opening balance of \$556.0 million, whereas the actual opening balance was \$583.7 million. Additionally, the estimates were prepared based on an expected return of 6.5%. However, due to strong domestic and international markets, the actual return was 8.91%.
- (3) Difference in allocation between current and non-current liabilities was mainly due to a \$26.704 million (4.8%) decrease in the total liability as assessed by the actuary, principally due to a higher discount rate.

Major Actual (2026) and Comparative (2025) Variance Narratives:

- (a) Cash and cash equivalents decreased by \$82.723 million (92.8%). During the reporting period, term deposits with short term maturities of less than three months totalling \$83.884 million were reinvested in term deposits with varying maturities greater than three months. This resulted in the re-classification of these term deposits from cash and cash equivalent assets to financial assets.
- (b) Financial assets increased by \$130.446 million (22.3%). During the reporting period, term deposits with short term maturities of less than three months totalling \$83.884 million were reinvested in term deposits with varying maturities greater than three months. This resulted in the re-classification of these term deposits from cash and cash equivalent assets to financial assets. Additionally, the investment return for the reporting period was 8.91%, yielding a \$61.139 million increase in financial assets.
- (c) Current and non-current accrued long service leave liabilities increased by \$13.808 million (2.6%) due to higher rates of pay and a higher number of workers. However, the increase was partially offset by a higher discount rate. Additionally, the re-estimated provision for retrospective application of revised statutory interpretations resulted in the current liability increasing by \$2.104 million.

Notes to the financial statements

For the year ended 30 June 2026

8.9.3 Statement of Cash Flows Variances

	Variance note	Estimate 2026	Actual 2026	Actual 2025	Variance between actual and estimate	Variance between actual results for 2026 and 2025
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
Receipts from employers	(1), (a)	38,000	42,824	30,155	4,824	12,669
Interest received		4,000	3,767	4,016	(233)	(249)
GST receipts from taxation authority		166	255	207	89	48
Payments						
Employee benefits	(b)	(5,475)	(5,108)	(3,618)	367	(1,490)
Supplies and services	(2)	(2,936)	(2,235)	(2,406)	701	171
Finance costs		(30)	(35)	(31)	(5)	(4)
Accommodation	(3), (c)	(483)	(323)	(203)	160	(120)
Payments for long service leave		(51,000)	(47,928)	(46,718)	3,072	(1,210)
GST payments on purchases		(219)	(338)	(327)	(119)	(11)
Other payments	(4), (d)	(443)	(572)	(457)	(129)	(115)
Net cash (used in)/provided by operating activities		(18,420)	(9,693)	(19,382)	8,727	9,689
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds from sale of investments	(5), (e)	18,700	-	213,626	(18,700)	(213,626)
Distributions received	(f)	19,000	18,267	23,770	(733)	(5,503)
Payments						
Purchase of financial assets	(6), (g)	(12,000)	(91,094)	(211,081)	(79,094)	119,987
Purchase of non-current assets	(h)	(98)	(34)	(179)	64	145
Net cash (used in)/provided by investing activities		25,602	(72,861)	26,136	(98,463)	(98,997)
CASH FLOWS FROM FINANCING ACTIVITIES						
Principal elements of lease payments		(355)	(379)	(381)	(24)	2
Net cash used in financing activities		(355)	(379)	(381)	(24)	2
Net increase/(decrease) in cash and cash equivalents		6,827	(82,933)	6,373	(89,760)	(89,306)
Cash and cash equivalents at the beginning of the period		87,586	89,393	83,020	1,807	6,373
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		94,413	6,460	89,393	(87,953)	(82,933)

Notes to the financial statements

For the year ended 30 June 2026

8.9.3 Statement of Cash Flows Variances (continued)

Major Estimate and Actual (2026) Variance Narratives:

- (1) Receipts from employers exceeded estimates by \$4.824 million (12.7%). The budget was modelled based on average quarterly reported wages of \$1.250 billion (equivalent to \$9.375 million in quarterly contributions), whereas actual quarterly wages for the three most recent returns during the reporting period averaged \$1.513 billion (equivalent to \$11.347 million in quarterly contributions). Wages reported on quarterly returns were predominantly higher due to an increased volume of workers.
- (2) Supplies and services payments were under estimates by \$701,000 (23.9%) predominantly due to underspends in non-recurring payments including business system enhancements, as well as recurrent accountancy & audit fees, consultants fees, travel and other payments.
- (3) Accommodation payments were under estimates by \$160,000 (33.1%) predominantly due to the unwinding of an unbudgeted \$300,000 provision as at 30 June 2025 for restoration (i.e. make-good) of leased office accommodation at 50 Colin Street, West Perth. The terms of the lease required the office accommodation to be restored to its original condition. The actual payments incurred for the restoration works were less than expected, resulting in an unwinding of the provision as at the lease expiry date.
- (4) Other payments exceeded estimates by \$129,000 (29.1%). The estimates classified employment on-costs (\$292,000) as employee benefits payments, however, they are treated as other payments for the benefit of these financial statements. Additionally, the other payments cash flows budget included a non-cash elimination for doubtful debts expense equal to \$150,000, however, the actual non-cash elimination for doubtful debts expense was \$276,000 which reduced the other payments cash flows outturn accordingly.
- (5) Proceeds from sale of investments were under estimates by \$18.700 million (100.0%) as no financial assets were redeemed during the reporting period.
- (6) Purchase of financial assets exceeded estimates by \$79.094 million (659.1%). During the reporting period, term deposits with short term maturities of less than three months totalling \$83.884 million were reinvested in term deposits with varying maturities greater than three months. This resulted in the reclassification of these term deposits from cash and cash equivalent assets to financial assets, triggering unbudgeted purchase events. Additionally, the budget estimated that \$12.000 million in managed funds would be purchased during the reporting period. However, only \$7.000 million in fixed interest managed funds were acquired.

8.9.3 Statement of Cash Flows Variances (continued)

Major Actual (2026) and Comparative (2025) Variance Narratives:

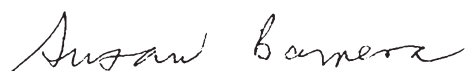
- (a) Receipts from employers increased by \$12.669 million (42.0%). The contribution levy rate increased from 0.5% to 0.75% effective 1 January 2025. Accordingly the prior year average contribution rate was 0.625% whereas the average contribution rate for the reporting period was 0.75%. Additionally, the number of workers reported on quarterly returns was comparatively higher.
- (b) Employee benefits payments increased by \$1.490 million (41.2%) predominantly due to an additional 12.4 FTE to support a retrospective review of claims following revised statutory interpretations and temporary staff engaged for the March 2026 rollout of MyLeave's Dynamics platform. Finally, employee benefits payments were comparatively higher due to 4 per cent salaries escalation in accordance with the *Public Sector CSA Agreement 2024*.
- (c) Accommodation payments increased by \$120,000 (59.1%) predominantly due to the restoration (i.e. make-good) of leased office accommodation at 50 Colin Street, West Perth in accordance with the terms of the expiring lease.
- (d) Other payments increased by \$115,000 (25.2%) predominantly due to higher levels of payroll tax payments (\$59,000) due to workforce growth, and higher Riskcover insurance premiums (\$12,000). Additionally, a Board vacancy was filled during the reporting period, resulting in an increase in payments to Board members' (\$16,000).
- (e) Proceeds from sale of investments decreased by \$213.626 million (100.0%) as no financial assets were redeemed during the reporting period.
- (f) Distributions received decreased by \$5.503 million (23.2%). A comparatively lower distribution rate resulted in distributions recognised as at 30 June 2026 being lower than those recognised as at 30 June 2025.
- (g) Purchase of financial assets decreased by \$119.987 million (56.8%). During the prior year, monies in underperforming financial assets were redeemed and reinvested in term deposits and other managed funds (\$211.081 million). Although no performance-based changes were made during the current reporting period, minor rebalancing of the portfolio resulted in the purchase of \$7.000 million in fixed interest managed funds. Additionally, during the current reporting period, term deposits with short term maturities of less than three months totalling \$83.884 million were reinvested in term deposits with varying maturities greater than three months. This resulted in the reclassification of these term deposits from cash and cash equivalent assets to financial assets, triggering purchase events which partially offset the comparative decrease.
- (h) Purchase of non-current assets decreased by \$145,000 (81.0%). Purchases of furniture and fittings were made in the prior year to fitout new office accommodation at 503 Murray Street, Perth. This was a once-off purchase and accordingly, the purchase of non-current assets normalised during the reporting period.



Audited Key Performance Indicators

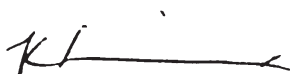
Certification of Key Performance Indicators

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 2026.



Susan Barrera
Chair

14 August 2026



Kate Schick
Member of the Board

14 August 2026

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.
- (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 0.75% 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 2026 was 8.91%. Board Members acknowledge that the annual investment performance will fluctuate on a year in/year out basis.
- (v) This KEI shows the number of employees who have received a long service leave payment. The number of payments made was lower than the estimate and prior year comparative predominantly due to the transition to a new business system in March 2026, which temporarily reduced output.
- (vi) This KEI shows the number of employees which qualify for a benefit. The total number of registered employees was 4.9% higher than the estimate and 4.6% higher than the prior year comparative; reflective of robust construction industry activity.

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	2026 Target	2026 Actual	2025 Actual	2024 Actual	2023 Actual
Registered Employers – Average for the year	5,850	5,999	5,732	5,545	5,368
Change in average number of Registered Employers		4.6%	3.4%	3.3%	2.9%
Growth in Firms in the Industry ^(a)		*	5.0%	1.5%	1.2%

(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.

* 2025-26 statistics were not available at the time of preparation of this Report.

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

FINANCIAL YEAR	2026 Target	2026 Actual	2025 Actual	2024 Actual	2023 Actual
Employees with days of service – Average per quarter	86,000	87,412	84,562	79,804	73,570
Change in average number of Employees		3.4%	6.0%	8.5%	8.7%
Change in number of Employees in the industry*		(1.4%)	5.5%	6.9%	9.9%

* 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 2026. Occupations: Technicians and Trades Workers plus Machinery Operators and Drivers).

(iii) Long Service Leave Contribution Rate

FINANCIAL YEAR	2026 Target	2026 Actual	2025 Actual	2024 Actual	2023 Actual
Average Contribution Rate	0.75%	0.75%	0.625% ^(a)	0.30% ^(b)	0.10%

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

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

Key Performance Indicators (continued)

Key Performance Indicators (continued)

(iv) Annual Return from Investments

FINANCIAL YEAR	2026 Target	2026 Actual	2025 Actual	2024 Actual	2023 Actual
Investment Return	6.50%	8.91%	10.76%	10.38%	8.92%
Benchmark Return (Composite Index)	6.50%	8.97%	10.80%	10.51%	9.36%
Investment Return - (5 Year Average)	5.70%	6.39%	7.80%	5.17%	4.63%

Investment return of 8.91% 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	2026 Target	2026 Actual	2025 Actual	2024 Actual	2023 Actual
Number of Employees paid a benefit (number)	5,100	4,778	4,888	4,864	4,540

Benefits paid totaling 4,778 (2025: 4,888) indicates that the number of claims submitted has been maintained.

(vi) Qualifying Service Profile of Registered Employees

FINANCIAL YEAR	2026 Target	2026 Actual	2025 Actual	2024 Actual	2023 Actual
Employees Registered (total)	145,000	152,122	145,472	135,676	123,100
Employees with less than the required minimum of 7 years of qualifying service to obtain a benefit	122,300	128,765	123,096	114,414	102,760
Employees qualified for a pro rata long service leave benefit - 7 to 10 years of service	10,800	10,538	10,301	10,089	9,954
Employees qualified for a long service leave benefit - more than 10 years of service	11,900	12,819	12,075	11,173	10,386

Key Performance Indicators (continued)

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	2026 Target	2026 Actual	2025 Actual	2024 Actual	2023 Actual
Cost per Registered Employee	\$66.00	\$61.99	\$53.45	\$49.35	\$52.21
Other State Schemes (average)		*	\$106.18	\$97.60	\$71.22

* 2025-26 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, supplies and services and other expenses. The variance against the estimate is predominantly due to lower employee benefits, supplies and services and accommodation expenses and a higher than expected number of employees registered (estimate: 145,000; actual: 152,122).

(ii) Full Time Equivalent Board Staff Per Registered Employees

FINANCIAL YEAR	2026 Target	2026 Actual	2025 Actual	2024 Actual	2023 Actual
Staff FTE per thousand employees	0.27	0.28	0.21	0.20	0.22
Other State Schemes (average)		*	0.74	0.65	0.47

* 2025-26 figures not available at the time of preparation of the Report.

The Key Efficiency Indicator (ii) has increased by 0.07 when compared to the prior year result (0.21) due to higher number of employees registered (2026: 152,122; 2025: 145,472) and higher full time equivalent staffing levels (2026: 42.8 FTE; 2025: 30.4 FTE). The actual result is only marginally higher (0.01) than the estimate.

Independent Auditor's Report

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Auditor General

INDEPENDENT AUDITOR'S REPORT

2026

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 2026, 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 2026 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)

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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 2026, and the controls were implemented as designed as at 30 June 2026.

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.

Independent Auditor's Report (continued)

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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 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 2026 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 2026 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 2026.

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.

Independent Auditor's Report (continued)

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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 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 Board'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 2026, 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.

Independent Auditor's Report (continued)

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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.

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 Board for the year ended 30 June 2026 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 Board to confirm the information contained in the website version.



Kellie Tonich
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
18 August 2026





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