



OnSite

2009 newsletter

The Official Newsletter of the WA Construction Industry Long Service Leave Payments Board



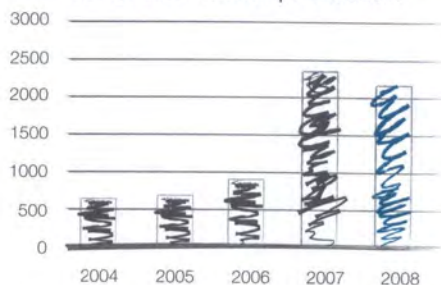
2008 – A year of significant activity

The 2007/2008 Annual Report of the Construction Industry Long Service Leave Payments Board was recently tabled in Parliament. Key features of the Annual Report include:

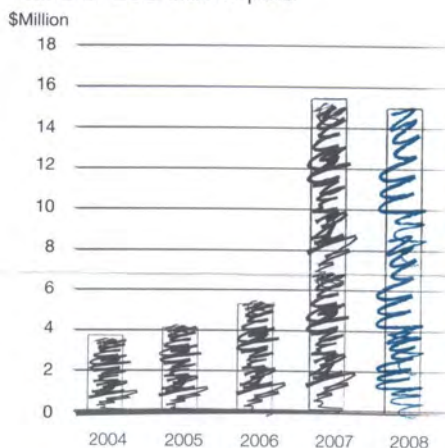
- 59,547 employees are registered with the Board. This is an increase of 12.3% on 2007 level,
- 2,171 employees received a benefit from the Scheme. This was less than 2007 level of 2,483 however the benefits paid in 2007 were inflated due to changes to the Scheme in October 2006,
- The value of benefits paid in 2008 was \$15.1M,
- Contribution levy income generated from employer payments was \$24.5M which was up from \$16.4M in 2007,
- Investment return was -12.8% which was broadly in line with market performance,
- Total cash and investments of the Scheme totalled \$106.7M,
- Average administrative cost per registered construction industry employee reduced to \$43.68c pa (-\$0.42c pa).

To access a full copy of the Annual Report please refer to the News and Publications link on our website at www.walslb.com.au.

Number of LSL claims processed



Value of LSL claims paid



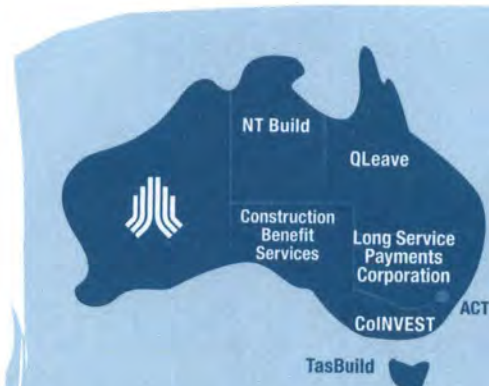
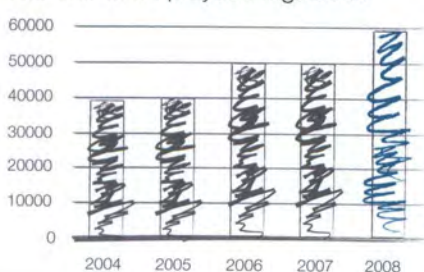
Workers enjoy improved benefits

Since October 2006, long service leave benefits for construction industry workers have been significantly improved.

Now workers only have to accumulate 7 years of service recorded in the Scheme. This has been reduced from 10 years.

The other significant change is to the rate of pay used when going on leave or taking a termination payment. Now the rate of pay used is based on the rate due to a worker when taking paid leave averaged over the last 12 months of service as recorded in the Scheme. This means that the rate of pay used will now more closely match the rate of pay they would receive if taking paid leave from their employer. Where a worker is not due for paid leave, for example where an all inclusive rate is paid, it is the average of the rate of pay paid for ordinary hours. Ordinary hours of work are 38 hours per week unless a registered industrial agreement provides otherwise. Weekend work is included only if no penalty rates are applicable (i.e. when weekends are worked as part of a normal work cycle).

Number of employees registered



Interstate Scheme websites

Western Australia
www.walslb.com.au
Northern Territory
www.ntbuild.com.au
Queensland
www.qleave.qld.gov.au
New South Wales
www.lspc.nsw.gov.au

Australian Capital Territory
www.actlsib.act.gov.au
Victoria
www.coinvest.com.au
Tasmania
www.tasbuild.com.au
South Australia
www.cbserv.com.au

Useful information

Is there a new employee registration card?

The Board is not re-issuing registration cards this year. If required, replacement registration cards are issued upon request to the Board.

Employee or subcontractor?

In cases where the situation is not clear, the Board has developed guidelines to assist in the determination of the matter.

A full copy of the guidelines is available on the Board's website.

In reaching a determination as to whether an employee/employer relationship exists, the Board would normally obtain documentation and seek responses to a number of questions which would draw out sufficient information on which to base a decision. These questions and factors for consideration have been developed from judicial precedents.

If you are unsure of whether an employee / employer relationship exists please first refer to the guideline brochure and if you are still in doubt contact a Board Inspector on 9476 5400 to discuss the matter.

Lodging your quarterly Returns via the internet

If you lodge your quarterly Return to us via the internet we recommend that you send it as soon as it is completed. Don't delay transmitting the Return until the last day because you may experience long delays as many employers are trying to lodge their Returns at the same time. If you have not yet used the internet for Return lodgement please note that you can test drive internet lodgement without using real information and you do not need a password to access the practice Return. Refer to the Scheme's website and click on Employers > Employer login and follow the prompts - this service is available 24 hours a day, 7 days a week.

Do you send your quarterly Return to us by facsimile or via the internet?

Please remember if you do this, you DO NOT have to send in the original copy of the Return as well.

Don't forget to send us your quarterly Return.

Some employers are paying the Contribution levy for their quarterly Returns but then forget to send us their Return.

Definition of gross pay for quarterly Returns

When preparing your quarterly Returns the Gross Pay for Contribution days is the rate of pay due to an employee for paid leave, excluding leave loading and is based on a 38 hour week unless you have a formal industrial agreement providing otherwise.

If an employee is not entitled to paid leave, for example where an all up rate applies or the employee is employed as a casual, then the rate to be used is the rate of pay payable for ordinary hours. For instance the ordinary rate for casuals will include the casual loading.

Working directors

Working Directors are a special category of employee in the Scheme and the changes to the Scheme in regard to the definition of "Ordinary Rate of Pay" pose particular problems in regard to the treatment of Working Directors.

While in the past the Scheme was based on Award rates of pay this is no longer the case and the contribution rate is now based on the 'ordinary rate of pay' paid to an employee for ordinary hours which are 38 hours per week.

For Working Directors the 'ordinary rate of pay' is the rate of pay being received by Directors as employees of their firm. This would be the amount that they draw down as wages on a defined, regular, at least monthly basis, that they pay tax on a PAYG basis for, have wage records for and are issued a PAYG Group Certificate at the end of each financial year for.

One off adjustments during or at the end of the financial year are not included, nor can they be averaged out over the year, and salary sacrificing sums are also not included for income purposes. Working Directors who do not draw a regular wage cannot then meet these requirements and their status in the Scheme is in doubt.

Working Directors who are in this situation or are unsure of these arrangements should contact a Board Inspector on 9476 5400 or for country callers 1800 198 136 to discuss the matter.

Quarterly Returns are only to record service days when Working Directors are on site and working in a prescribed classification.

Maintenance work is included

Please be aware that maintenance work is also covered by this Scheme. Many employers think that we only cover construction work.

Employees under the temporary skilled migration (subclass 457) program

Ensure that workers employed under the "457" program are included on quarterly Returns.

Contribution levy

Note that the Contribution levy has increased to 2.25% effective from 1 January 2009 and will therefore be reflected in your January/February/March 2009 period Return which will be due for lodgement 15th April 2009.

Days of service

The Scheme has been reviewed to clarify that a day of service is any day (including weekends) on which an employee is entitled to receive Ordinary pay. Weekend work is included only if no penalty rates are applicable ie when weekends are worked as part of a normal work cycle.

Who's on the Board

Mr Tom Lang Chairman

Representing employees
(in alphabetical order)

Mr Jock Ferguson

Australian Manufacturing Workers Union

Mr Les McLaughlin

CEPU Engineering & Electrical Division WA

Mr Kevin Reynolds

The WA Builders' Labourers, Plasterers & Plasterers Union of Workers

Representing employers
(in alphabetical order)

Mr Michael McLean

Master Builders Association

Mr Raymond Spatore

Nominated by the Master Builders Association

Mr Gordon Thomson

Nominated by the Chamber of Commerce & Industry

Contacting the Board

Telephone (08) 9476 5400

Freecall 1800 198 136
Monday to Friday
8.30am to 5pm

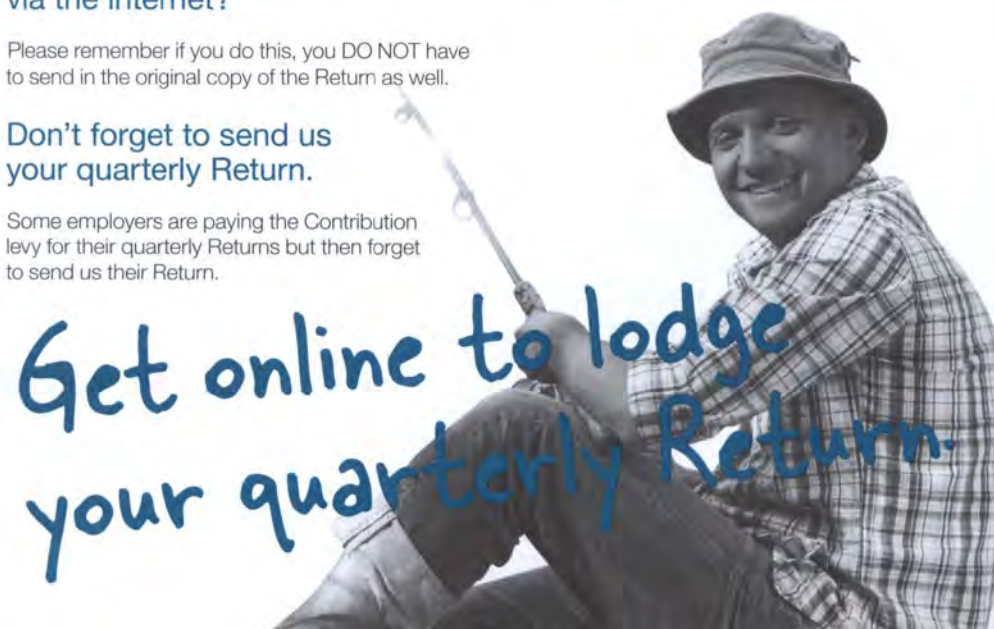
Facsimile (08) 9321 5404

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Address 1st Floor, 26 Colin Street
West Perth WA 6005
(Corner of Colin and
Ord Streets)

Postal PO Box 1333,
Address West Perth, WA 6872



Get online to lodge
your quarterly Return