

# OnSite

THE OFFICIAL  
NEWSLETTER OF THE  
WA CONSTRUCTION  
INDUSTRY LONG  
SERVICE LEAVE  
PAYMENTS BOARD  
2011



## 2011 NEWSLETTER

### Highlights of 2010

The 2009/2010 Annual Report of the Construction Industry Long Service Leave Payments Board was recently tabled in Parliament. Key features of the Annual Report include:

- Average number of registered employers was 5,124
- 67,033 employees are registered with the Board. This is an increase of 7.6% on 2009 level
- 2,279 employees received a benefit from the Scheme
- The value of benefits paid in 2010 was \$16.3M. This is an increase of 13% on 2009 level
- Contribution levy income generated from employer payments was \$52.7M
- Total cash and investments of the Scheme totalled \$155.0M. This is an increase of 35% on 2009 level
- Balance Sheet Deficiency was reduced to \$21.8M (from \$41.2M) and the Board forecasts clearance of the Deficiency by 2012
- Average administrative cost per registered construction industry employee was \$46.89c.

To access a full copy of the Annual Report please refer to the News and Publications link on our website at [www.walsboard.com.au](http://www.walsboard.com.au).

### Contribution levy

The Contribution levy is currently 2.25% and the Board has approved continuation at this level for 2011. During 2011 the Board will, in conjunction with the Actuary, undertake a full review of the assumptions used in the financial model used to forecast the Board's actuarial liability. It is important that a review such as proposed is undertaken on a regular basis to ensure that the medium term

forecast of the actuarial liability is calculated with the most accurate information as possible.

The Board remains committed to its objective of "Minimising the Contribution rate payable" and as such further review of the Contribution levy will be undertaken in conjunction with financial results for the year ending 30 June 2011.

### Investment Performance and Strategy

In regards to the Board's investments a strategic decision was made to minimise the risks with international investments (shares / property and cash / fixed interest). These funds were closed during the year and the Board's investment portfolio now comprises principally Australian shares / property funds plus Australian cash and fixed interest investments.

During the year the Board continued with its cautious outlook for investment markets and progressively rebalanced the investment fund which now has 62% in growth assets and 38% in cash / fixed interest investments.

The investment return for 2009/10 was 7.5% and this is slightly under benchmark of 9.1% but reflects the Board's cautious approach to the management of investment funds during the year which saw considerable fluctuations in the share market. It is relevant to note the fluctuations in the ASX 200 index which recorded performance of +23% in the first six months of the year but then retracted 12% during the second half of the year.

The investment return on the fund for the 6 month period to 31 December 2010 is above budget.

## USEFUL INFORMATION

### Employees eligible for the Scheme

Only employees working on site in classifications of work listed in a prescribed award are to be included on Returns. The list of the prescribed awards is available on the Board's website under Employer Enquiries. Workers employed in your own workshop or yard, and administration, clerical and managerial employees are not to be included on Returns. If you are unsure of an employee's eligibility please contact an Inspector at the Board's office.

**Please note that corporate bodies such as partnerships, trusts/trustees and companies are not "Employees" in terms of the Act.**

### Employee or subcontractor?

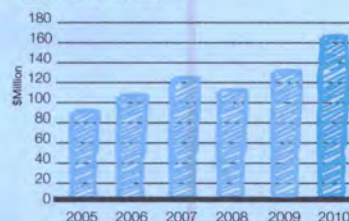
In cases where the situation is not clear, the Board has developed guidelines to assist in the determination of the matter.

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

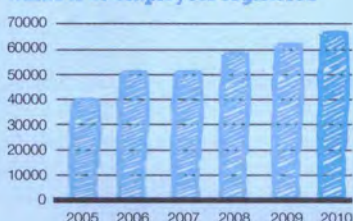
In reaching a determination as to whether an employee/employer relationship exists, the Board would normally obtain documentation and seek responses to a number of questions which would draw out sufficient information on which to base a decision. These questions and factors for consideration have been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

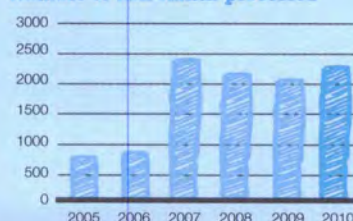
Value of total assets



Number of employees registered



Number of LSL claims processed



Value of LSL claims paid



# USEFUL INFORMATION

## 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 possible. Don't delay transmitting the Return until the last day because you may experience long delays if many employers are trying to lodge their Returns at the same time. The internet system is terminated at the end of the due date for lodgement of Returns.

Please note that there are two methods to lodge Returns on the internet;

- Direct entry into the Online Employer Return Form,
- Upload of spreadsheet and then submission via the Online Employer Return Form.

Both of these methods are very user friendly and you are able to use the practice facility available on the Board's website.

## 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.

## Contribution Days

Contribution Days include part days and weekends (when penalty rates do not apply), on site in the construction industry, on which an employee is entitled to receive ordinary pay. This includes rostered days off, public holidays, annual leave, paid sick leave and workers compensation. Note: Part days in the construction industry are counted as full days.

## 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.

Please note that Gross Pay does not include annual leave loading but does include other amounts such as rental allowance, utilities allowance, living away from home allowance etc – if these allowances are due to an employee when on paid leave.

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 definition of "Ordinary Rate of Pay" poses particular problems in regard to the treatment of Working Directors.

The contribution rate is 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.

## Fair Work Act

The Board is currently working with the Minister's office to amend the Construction Industry Portable Paid Long Service Leave Act 1985 (and Regulations) as a result of the introduction of the Fair Work Act (Cth) 2009. Legislative changes will not adversely affect an employer's liability to the Scheme nor be detrimental to an employee's entitlements.

## 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.

**GET ONLINE TO LODGE YOUR QUARTERLY RETURN**

visit our website  
[www.walsboard.com.au](http://www.walsboard.com.au)  
for more information

## Who's on the board

**Ms Linda Gibbs** Chair

**Representing employees**  
(in alphabetical order)

**Mr Steve McCartney**  
Australian Manufacturing Workers Union

**Mr Les McLaughlan**  
CEPU Engineering & Electrical Division WA

**Mr Kevin Reynolds**  
The WA Builders' Labourers, Painters & Plasterers Union of Workers

**Representing employers**  
(in alphabetical order)

**Mr Daniel Lee**  
Nominated by the Chamber of Commerce & Industry

**Mr Michael McLean**  
Master Builders Association

**Mr Raymond Sputore**  
Nominated by the Master Builders Association

## Contacting the Board

Telephone (08) 9476 5400

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

Facsimile (08) 9321 5404

Website [www.walsboard.com.au](http://www.walsboard.com.au)

Email [staff@walsboard.com.au](mailto:staff@walsboard.com.au)

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



## Interstate Scheme websites

**Western Australia**  
[www.walsboard.com.au](http://www.walsboard.com.au)

**Northern Territory**  
[www.ntbuild.com.au](http://www.ntbuild.com.au)

**Queensland**  
[www.qleave.qld.gov.au](http://www.qleave.qld.gov.au)

**New South Wales**  
[www.lspc.nsw.gov.au](http://www.lspc.nsw.gov.au)

**Australian Capital Territory**  
[www.actslb.act.gov.au](http://www.actslb.act.gov.au)

**Victoria**  
[www.coinvest.com.au](http://www.coinvest.com.au)

**Tasmania**  
[www.tasbuild.com.au](http://www.tasbuild.com.au)

**South Australia**  
[www.cbserv.com.au](http://www.cbserv.com.au)