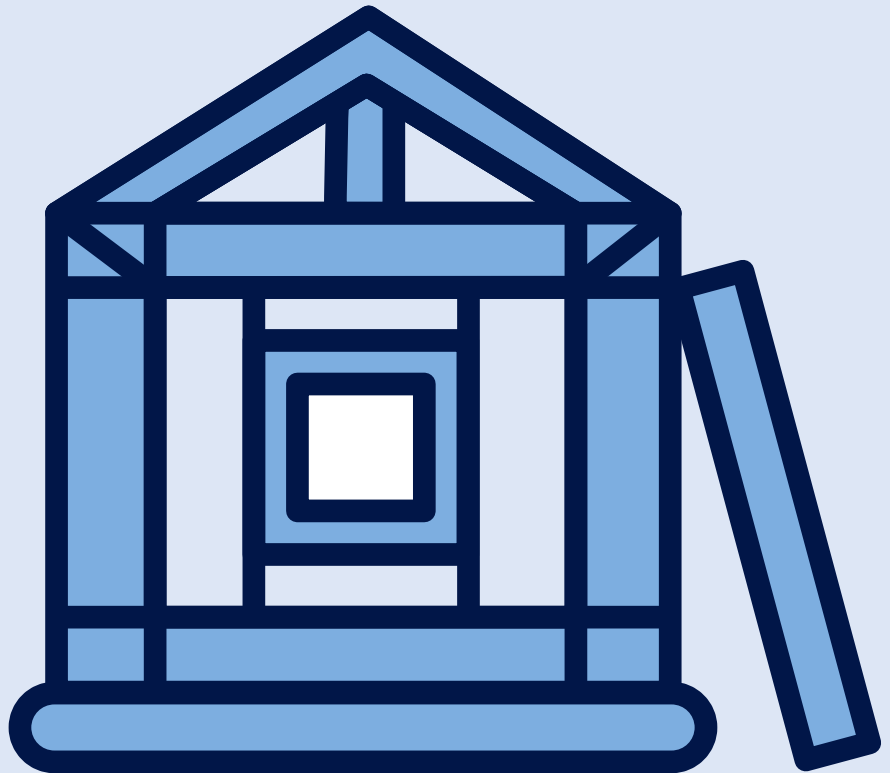


Annual Report

FY 2025





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LEGISLATION ADMINISTERED

Construction Industry Long
Service Leave Act 1987

OUR MINISTER

The Hon Kyam Maher MLC
is the Minister for Aboriginal
Affairs, Attorney-General,
Minister for Industrial
Relations and Public Sector,
Special Minister of State

BOARD MEMBERS

Kim Eldridge
(Presiding Officer)
Peter Bauer
John Adley
Stephen Knight
Steven Minuzzo
Larry Moore
Kristen Rogers
(Appointed 26th September 2024)

CHIEF EXECUTIVE OFFICER

Anthony Mackay

ACTUARY

Mercer Australia
Level 7
91 King William Street
Adelaide SA 5000

AUDITORS

Nexia Edwards Marshall
Level 3
153 Flinders Street
Adelaide SA 5000

INVESTMENT ADVISOR & INVESTMENT MANAGER

Mercer Investments Australia
Level 15
727 Collins Street
Docklands Victoria 3008

PRIMARY LAWYERS

Lynch Meyer
190 Flinders Street
Adelaide SA 5001

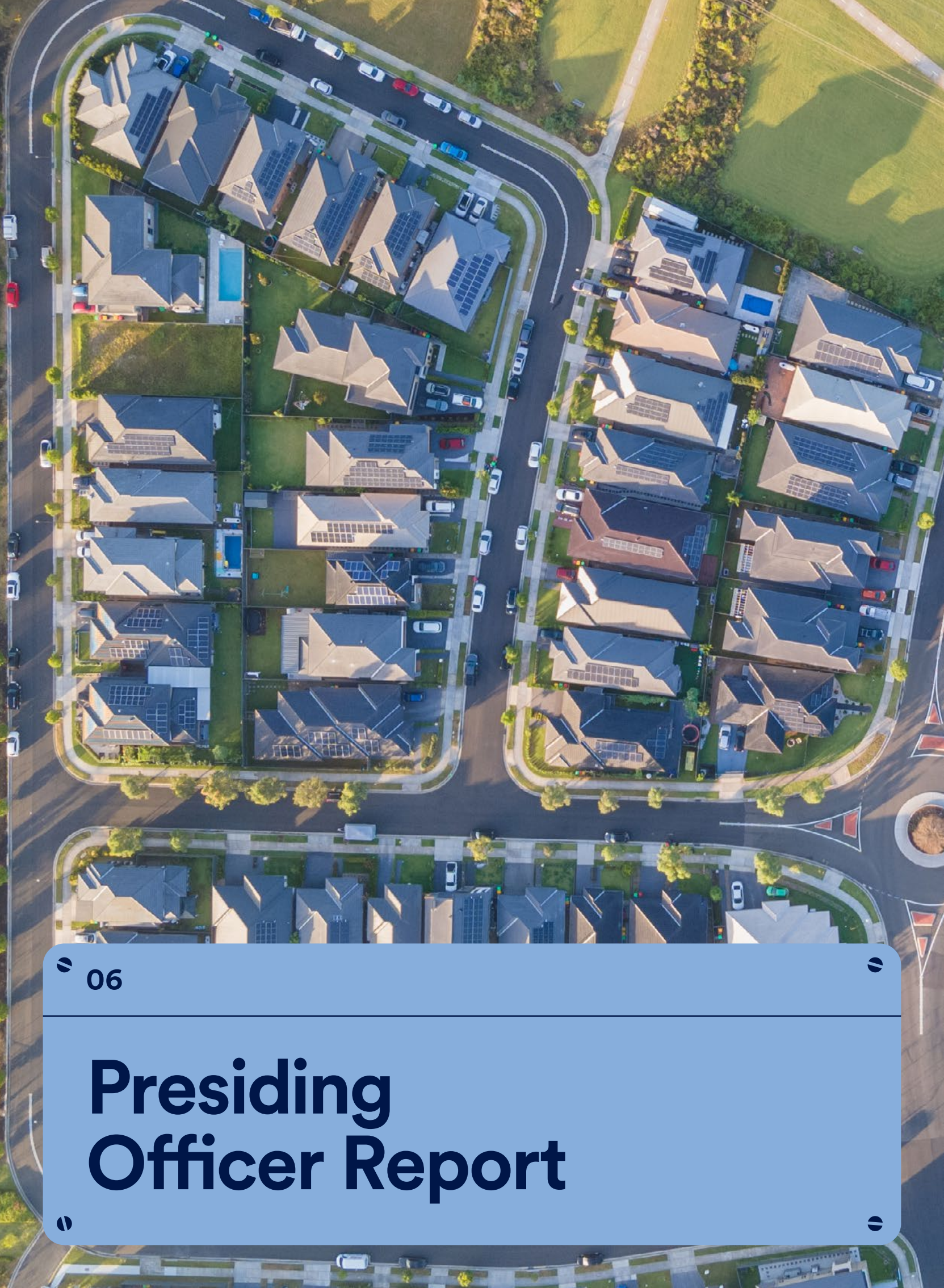
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Acknowledgement of Country

SA Portable Long Service Leave -
Construction Industry acknowledges
the Traditional Custodians of Country
throughout Australia and their connections
to land, sea and community.

We pay our respects to their Elders past
and present, and extend that respect to
all Aboriginal and Torres Strait Islander
peoples today.



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Presiding Officer Report

I am pleased to provide the annual report for the 2024-2025 financial year.

Last year's report referred to the Board's approach to market for the scheme's investment advisor and investment management services. This was a significant and timely undertaking. In February 2025 the Board engaged Mercer Investments (Australia) Limited (MIAL) to provide both services. We look forward to working with MIAL to ensure the scheme's investment portfolio is safely and appropriately invested to continue to advance our solvency position.

The Board has maintained a focus on governance throughout this past year. We have established two new sub-committees: Audit & Risk and Investment, to ensure both areas receive focussed attention throughout the course of the Board's meeting schedule. The pilot of this new structure will be evaluated by the Board at the end of 2025.

The Board has continued its work with the South Australian Government on the proposed amendments to the Construction Industry Long Service Leave Act 1987. The Board has provided feedback and advice throughout 2024 and 2025 and looks forward to the eventual introduction of the amendments to the South Australian Parliament.

In February of this year, I was fortunate to attend the annual meeting for all state portable long service leave schemes in Melbourne. It was wonderful to be joined by the inaugural Presiding Officer of the Community Services Scheme, Danielle Elston, and both South Australian schemes' Chief Executive Officer Anthony Mackay who has agreed to continue in his pivotal role for a further five-year term. The meetings allowed for the sharing of information between interstate schemes and to discuss shared risks and opportunities.

The work to establish the Community Services Scheme throughout this past year was a formidable challenge for our Chief Executive Officer and the staff of the Portable Long Service Leave business. The Construction Industry Board looks forward to a collaborative and constructive relationship with the Community Services board, and wishes all involved with the establishment of the new scheme well as it progresses to commencement in October 2025.

Once again, both I and the other members of the Board extend our gratitude to the Chief Executive Officer and staff of the Construction Industry scheme. Their commitment and efforts are demonstrated through the continued professionalisation of the scheme and their dedication to providing the best possible service to the employers and employees, and working directors and self employed contractors, of the South Australian construction industry. We look forward to another challenging and rewarding year ahead.



Kim Eldridge
Presiding Officer



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Chief Executive Officer Report

I am pleased to provide my third report as Chief Executive Officer of the SA Portable Long Service Leave – Construction Industry business.

This year with the establishment of a second portable long service leave scheme in South Australia (for the Community Services Sector) a re-branding of the business was undertaken. The rebranding has focused on making it easy for stakeholders to identify the business as being South Australian and Construction Industry focused.

Throughout this year we developed stronger relationships with South Australian Government entities and have further developed our compliance framework in line with the Board being a statutory authority of the SA Government. We are also excited to share that the SA Portable Long Service Leave – Construction Industry business officially received endorsement from Reconciliation Australia for our Reflect Reconciliation Action Plan.

The work that we started last year in re-establishing the Field function of the business has continued to grow with stronger relationships being established with a number of apprentice based organisations such as TAFE SA, PEER and ATEC. These relationships allow us to educate new entrants to the SA construction industry of the benefits of the scheme as they are starting out in the industry. Throughout the year we also undertook two regional trips covering key locations across SA including Port Lincoln, Whyalla, Port Augusta, the Riverland, Mount Gambier and Murray Bridge.

This year saw the rollout of a new process for staff performance management discussions to allow better engagement with all staff. A significant focus was also placed on the ongoing development of staff within the business including implementing a senior leadership coaching program as well as a staff satisfaction survey to provide the leadership group with regular feedback regarding opportunities for better engagement with employees.

Across this year there has been a significant level of activity in the Information Technology space. Our DeskTop Services provider (Chamonix) advised us during the year that they were exiting this market and asked us to move off of their platform during the 2025-2026 financial year. Chamonix have actively supported the business during this process and we look forward to engaging with a new service provider in this space in the coming financial year. Our contract with our CRM system provider has also recently expired and we are actively discussing with them a suitable arrangement for moving forward with this service.

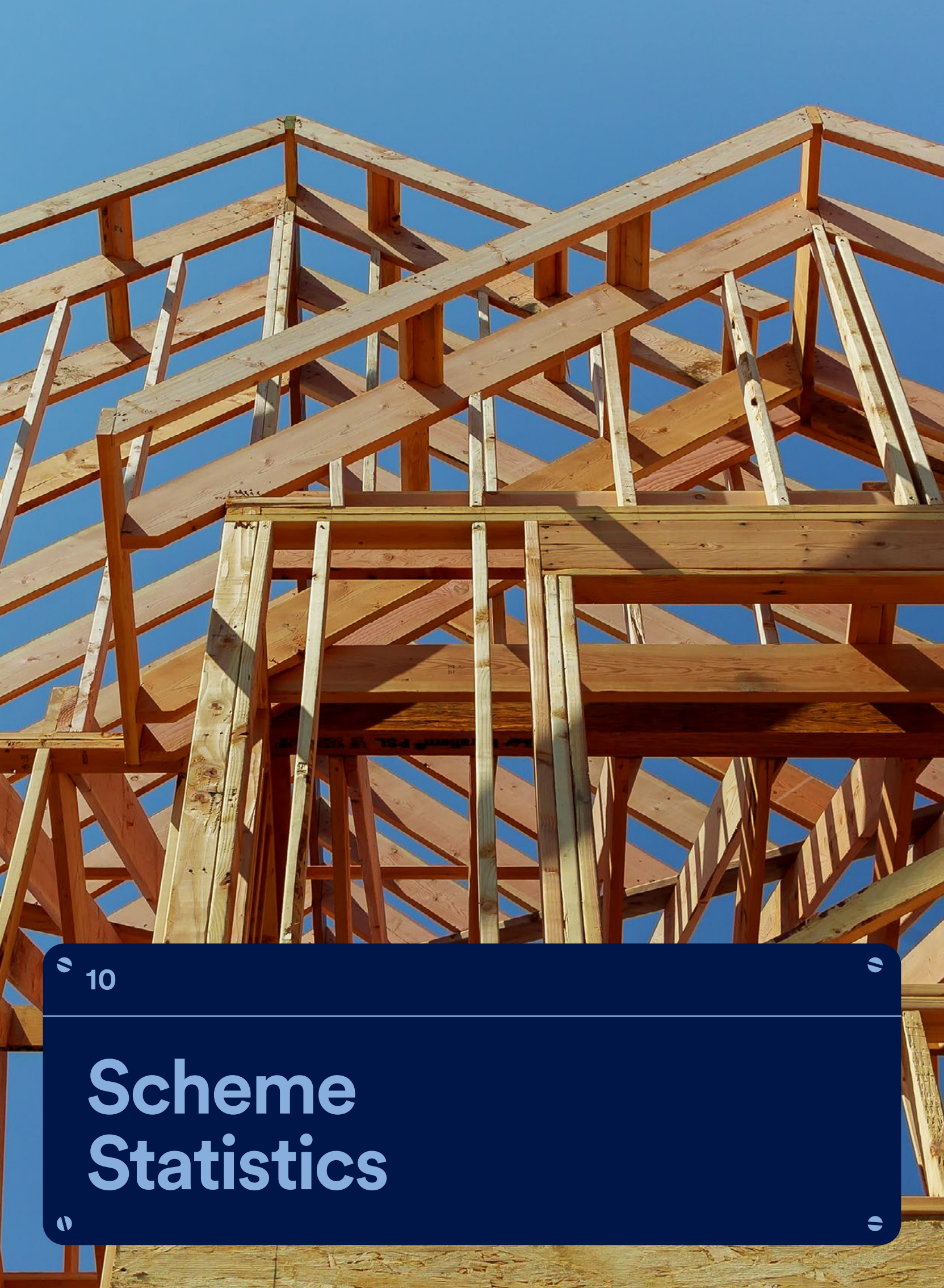
An outcome from the 2023-2024 audit of our business was that an independent Actuarial Model Review should be undertaken. With the support of our actuary, this review was completed in early 2025 and a number of recommendations were made for strengthening the model. Implementation of these recommendations has been agreed with the supplier with actions to be completed across the 2024-2025 and 2025-2026 financial years.

In relation to the schemes investment portfolio, after an extensive procurement process, the business has recently transitioned its portfolio to Mercer Investments (Australia) Limited. In early 2025 the business was advised by the Dexu Diversified Infrastructure Trust (DDIT) that it had received a large level of redemptions for this trust. Because of this DDIT advised that they were suspending any future redemption requests being able to be lodged until they had developed a strategy for how they would handle the current level of redemption requests. In the most recent update from DDIT they have advised that this redemption suspension period has been extended further until a court case they are engaged in is finalised. This investment continues to be closely monitored by the Board and its Investment Advisors.

I would like to take this opportunity to thank the Board for their continued guidance and support and to thank the dedicated SA Portable Long Service Leave team for their hard work and endeavour to continue to provide a great service to all SA construction industry employees and employers.



Anthony Mackay
Chief Executive Officer



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Scheme Statistics

Workers



39,204 ↑ 2.5%

Total Registered
Workers



29,461 ↑ 0.4%

Workers who accrued
service this year



6,111 ↑ 5.7%

Apprentices Registered



7,437 ↓ 12.9%

New Workers
Registered



10,323 ↑ 5.1%

Workers with
Vested Benefits



2,730 ↑ 5.6%

Payments Made
to Workers



\$20.6M ↑ 7%

Value of Payments
Made to Workers

Employers



3,328 ↑ 5.9%

Total Employers
Registered



510 ↑ 16.4%

New Employers
Registered



99%

Average Employer
Returns Received

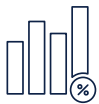


\$25.9M* ↑ 5.7%

Employer Contributions

*Includes prior year adjustments

Operations



2.0%

Levy Rate



\$209.6M ↑ 8.8%

Investment Assets



7.7%

Investment Return



\$2.7M ↓ 5.2%

Operational Expenses



\$189.9M ↑ 3.3%

LSL Liabilities



110.3%

Liability Cover



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Finance

State of the Fund

As of 30 June 2025, the Fund has an accumulated Surplus of **\$19M** and a solvency ratio of **110.3%**.

Summary of Financial Year

In FY2025 the Board reported an operating surplus of **\$10.75M**.

Levy revenue increased 5.7% from FY2024 to \$25.86M. The increase was representative of new worker registrations along with wage inflation during the year.

Realised and unrealised investment gains totalled \$14.37M representing a 7.7% return on investment.

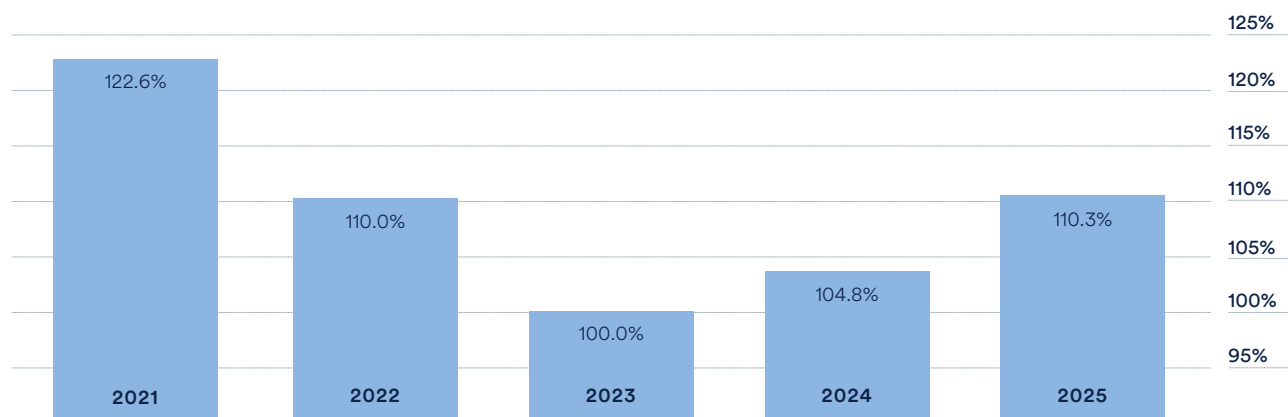
The volume of worker payment claims increased by 5.6% from FY2024.

Cash flows from operating activities (excluding investment income) were positive in FY2025 reflecting increased levy collections made during the year. No redemptions were required from investments to supplement operating cash flows.

Actual 2024/25 (\$ Million)	
Income	
Levies	25.86
Investments (Including Cash Holdings and Term Deposits)	14.37
Other	0.36
Total Income	40.59
Expenditure	
Long Service Leave Payments	20.66
Increase in Accrued LSL Liability	6.14
Increase in Contractor Interest	0.32
Salaries and Related Costs	1.44
Operating Costs	1.27
Total Expenditure	29.84
Surplus/(Deficit)	10.75

*Figures may differ slightly to financial statements due to rounding

Solvency Ratio



Investment

Investment returns form a vital element of the Scheme, supplementing levy revenues to ensure the Fund can meet future long service liabilities.

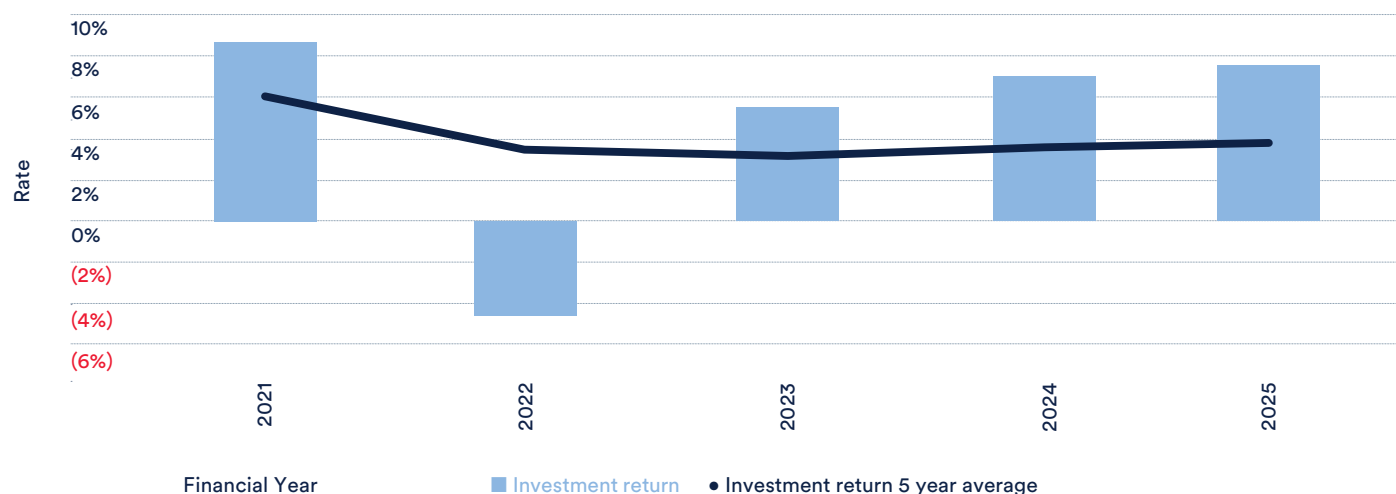
The investment objectives focus on maximising returns whilst managing risk, specifically:

- The fund to achieve a solvency rate of 115% by 30 June 2029.
- The net investment return of 6.4% to be achieved across each of the next 5 years on average excluding all fees.
- The probability of the rate of return being achieved of at least 60%.
- The likelihood of losing more than 5% of the scheme's investment assets being less than 10%

A procurement for the provision of Investment Advisor and Investment Manager services was undertaken during the year. In March 2025 Mercer Investments (Australia) Limited were appointed to deliver both investment advisor and investment manager services to the Board.

Five Year Investment Return

The five-year average return on investments held by the Board is **5.0%**.



Self-Employed Contractor / Working Director Fund

The Self-Employed Contractor / Working Director Fund is a voluntary fund established to facilitate the preservation of previously accrued service when a construction worker transitions from an employee to a Self-Employed Contractor or Working Director. Rather than forfeiting their previously accrued service – Self-Employed Contractors or Working Directors can voluntarily make up to 6 fixed bi-monthly contributions per annum in order to accrue service credits that will contribute to reaching a long service leave entitlement.

The fund is an accumulation fund as registrants will receive their original contributions plus an investment return in the form of interest when they reach entitlement and/or exit the fund. This is in addition to any accrued entitlement that has vested in the construction worker fund (defined benefit).

The Board is required to set the contribution amount and interest rate annually in advance for the Financial Year ahead and as such is exposed to interest rate risk.

The Contribution and Interest Rate for the 2024/2025 Financial Year was:

Financial Year	2025
Contribution Rate (bimonthly)	\$280
Interest Rate	4.5%

The bimonthly contribution amount is set at a level comparable to the current industry average ordinary weekly pay rate. The interest rate is aligned with the expected investment earnings of the fund. Registrants can exit this fund at any stage therefore a different investment risk profile is applied to reduce risk of capital loss and provide adequate liquidity.

This fund is segregated from the core investment portfolio due to its defined purpose and different operating rules.

Actuarial Services

The Board uses an Actuary to undertake an annual valuation of its liabilities in accordance with Section 24 of the Act.

During the 2024/2025 financial year Mercer Actuary provided the following services:

- Annual report on the valuation of the scheme's long service leave liabilities at 30th June, sufficiency of the Construction Industry Fund and appropriateness of the levy rate.
- Sensitivity analysis on the future funding of the scheme including projected cash flows and liabilities over the next five years.
- Recommendation to the Board on the contribution rate and interest payable on account balances under the Self-Employed Contractor / Working Director Fund.
- Provision of short-term liability forecasts for budget purposes.

Actuarial Valuation

The FY2025 actuarial valuation estimates the Board's liability (excluding registered contractors and working directors) to be **\$189.976M** with Vested Benefits being **\$168.078M**.

Financial Year 2025	Value of Liability (excluding self-employed contractors and working directors)	Leaving Industry Vested Benefits (excluding self-employed contractors and working directors)
Value of Liability	\$189,976,000	\$168,078,000

The FY2025 valuation estimates the Board's liability in relation to self-employed contractors and working directors to be \$7.774M.

The FY2025 valuation estimates the Board's total liability to be \$197.750M.

	Financial Year 2025
Construction Workers	\$189,976,000
Self-Employed Contractors \ Working Directors	\$7,774,000
Total Provision Long Service Leave Entitlements	\$197,750,000

Average Weekly Earnings

Average weekly earnings increased in FY2025 by 3.3% to \$1,631 (\$1,579 in FY2024).

The Fund remains in a satisfactory financial position as at 30 June 2025 with an accumulated surplus (total assets less total liabilities) of \$19.0M and a solvency ratio of 110.3%.

Audit Services

Nexia Edwards Marshall were appointed the Board's auditors in 2019. An unqualified audit opinion was achieved during the 2024/2025 Financial Year.



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Operations

Customer Service Report

Registrations

FY2025 saw an increase of 2.5% in total registered workers, a 0.4% increase in workers who accrued service in the financial year and an increase in registered employers of 5.9%.

Financial Year	FY2025	FY2024	% Change
Total Registered Workers	39,204	38,234	2.5%
Workers who contributed this financial year	29,461	29,349	0.4%
Total Registered Employers	3,328	3,143	5.9%
Self-Employed Contractors/Working Directors registered this financial year	490	507	-3.3%

Age demographics remain **consistent** with previous years with a **significant** proportion of workers being under the age of **40 (66%)** and an even **higher** proportion under the age of **50 (81%)**.

Employer Returns

Each registered employer must furnish the Board with an Employer Return containing details of eligible employees who have worked over the prescribed period.

Employer Return Management								
Financial Year	Returns Issued	Returns Received on time		Late Returns		Late Return Lodgement Fines		
	No.	No.	%	No.	%	No.	%	Amount
2025	19,045	15,389	81%	3,656	19%	1,060	6%	\$79,575
2024	18,112	14,345	79%	3,767	21%	1,276	7%	\$95,700
2023	17,607	13,877	79%	3,730	21%	1,293	7%	\$96,975
2022	16,680	13,716	82%	2,964	18%	1,394	8%	\$104,550
2021	14,595	12,005	82%	2,590	18%	420	3%	\$31,500

Claims

Long Service Leave Claims by Age										
Financial Year	<30		30-39		40-49		50-59		60+	
	No.	%	No.	%	No.	%	No.	%	No.	%
2025	176	6%	879	32%	668	24%	504	18%	503	18%
2024	176	7%	897	35%	593	23%	527	20%	393	15%

Long Service Leave Claims by Type									
Financial Year	Portable Leave Claims		Cessation of Employment Claims		Combination Portable Scheme & State Scheme Claims		Interstate Scheme Claims		
	No.	%	No.	%	No.	%	No.	%	%
2025	1805	66.1%	587	21.5%	108	4%	230	8.4%	
2024	1647	64%	663	25%	77	3%	199	8%	

Usage of Long Service Leave

Leave utilisation measured as a percentage of claims to registrations has **increased** slightly from **6.7%** last year to **6.9%** this year and is consistent with the **five year average of 6.7%**.

Usage of leave is spread broadly across age bands however **82%** of leave utilised is for persons under the age of 60 indicating many employees are utilising long service leave during their working years rather than saving it until retirement.

Claims involving interstate service represented **8.4%** of all claims reflective of the transient nature of work across Australia.

Apprentices

No Levy is imposed on apprentices, however they accrue long service leave credits in the same way as other workers.

Worker Types				
Financial Year	Construction Worker		Apprentices	
	No.	%	No.	%
2025	33,093	84%	6,111	16%
2024	32,452	85%	5,782	15%

Compliance Report

SA Portable Long Service Leave - Construction Industry strives to provide clear and consistent advice to workers and employers to help them navigate the requirements of the Act.

Registrations

In 2024/2025 there were 492 new employers and 102 Self Employed Contractors and Working Directors who were assessed as eligible and registered with SA Portable Long Service Leave - Construction Industry.

Return Lodgement

Focus continued from 2023/2024 in reducing the number of overdue returns. Employers with 3 or more overdue returns were reduced from 11 in July 2024, to 7 in June 2025.

Compliance

The Compliance Team identified unregistered employers through apprentice talks and investigations, initiated contact, and provided advice and assessment on eligibility of workers. 114 employers were identified, and contact was initiated with 163 employers.

Activity	FY2025
Prospective Employers Identified	114
Prospective Employer Reviews Initiated	163

Audits

Audits were conducted on registered employers to identify and resolve problems with eligibility and reporting.

Activity	FY2025
Employer Audits	42

Investigations

Unregistered workers were identified and assessed for eligibility through reviews of unregistered businesses employing construction workers, investigations into unregistered service requests received from workers, and audits of registered employers.

Activity	FY2025
Unregistered Service Investigations	126

Legal Activities

Prosecution action was commenced for failure to lodge employer returns, non-payment of levies and failure to produce information requested under Section 30 of the Act, where other measures had not been able to achieve compliance. 26 of the 27 employers complied with obligations prior to prosecution.

South Australian Employment Tribunal

4 cases were referred to the South Australian Employment Tribunal by employers for review and 2 applicants had withdrawn their applications. 2 applicants are currently pending an outcome.

Field

Focus continued in 2024-2025 in increasing the level of field activities throughout the year.

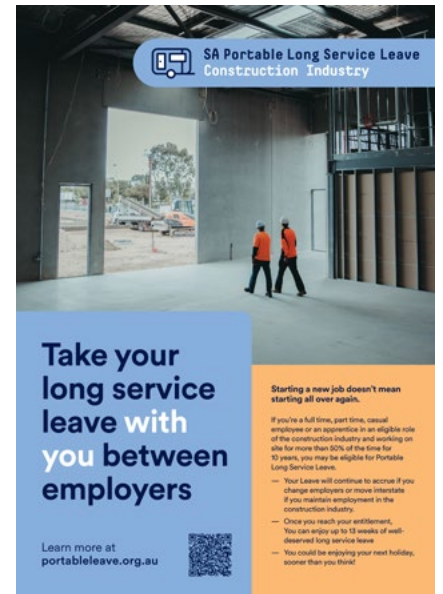
The Field team have visited over 170 construction sites and engaged with over 3500 workers throughout the year.

The number of presentations has also increased this year with 143 presentations including 98 presentations having been made to over 890 apprentices at TAFE (including Tonsley, Elizabeth, Regency and Mount Gambier), ATEC (Lonsdale and Ottaway), PEER, NECA, ECA and FCTA for Plumbing, Tiling, Electrical, Painting, Bricklaying, Carpentry, and Gyprocking apprentices.

Engagement with stakeholder groups continued with presentations and discussions being held at many employer associations and unions to provide greater awareness of the scheme.

Advertising and editorials in member-based publications and improved digital presences on websites has also been undertaken.

Regional Trips have also been a focus for the Field team throughout the year with visits to the Iron Triangle, Eyre Peninsula, Mid North, Riverland, Port Lincoln, Whyalla, Port Augusta, Wallaroo, Mount Gambier, Barossa Valley and Southeast having been undertaken. These trips have been important in raising the awareness of the SA Portable Long Service Leave - Construction Industry scheme in regional and country areas with both employers and workers.



SA Portable Long Service Leave
Construction Industry

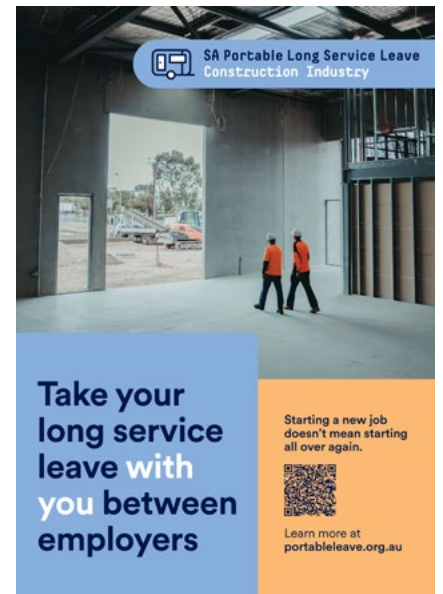
Take your long service leave with you between employers

Learn more at portableleave.org.au

Starting a new job doesn't mean starting all over again.

If you're a full time, part time, casual employee or an apprentice in an eligible role of the construction industry and working on site for more than 32% of the time for 10 years, you may be eligible for Portable Long Service Leave.

- Your Leave will continue to accrue if you change employers or move interstate if you maintain employment in the construction industry.
- Once you reach your entitlement, You can enjoy up to 13 weeks of well-deserved long service leave.
- You could be enjoying your next holiday, sooner than you think!



SA Portable Long Service Leave
Construction Industry

Take your long service leave with you between employers

Learn more at portableleave.org.au

Starting a new job doesn't mean starting all over again.

Learn more at portableleave.org.au



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Governance

The Construction Industry Long Service Leave Board (the Board) is responsible for the administration of the *Construction Industry Long Service Leave Act 1987* (the Act). SA Portable Long Service Leave - Construction Industry is the Business Name of the Board.

Composition

Membership of the Board is determined in accordance with Section 7 of the Act and comprises three members appointed to represent the interests of employers and three members appointed to represent the interests of workers. The Presiding Officer is nominated by the Minister for Industrial Relations.

Appointments

The Board was appointed by the Governor on 29th September 2022. At the end of this period (30 June 2025) the Board remains in place until such time as the Minister advises of any changes.

During the year the following changes were advised:

- Kristen Rogers (Board Member) – appointed 26th September 2024.

Board Meetings

During the 2024/2025 year the Board met on 10 occasions, excluding sub committees and working parties.

Board Members	Nominating Body	Meetings Available to Attend	Meetings Attended
Ms Kim Eldridge	Independent Presiding Officer	10	10
Mr Peter Bauer	Australian Manufacturing Workers Union	10	10
Ms Kristen Rogers	SA Unions	7	7
Mr John Adley	Communications, Electrical, Energy and Plumbing Union	10	8
Mr Stephen Knight	Housing Industry Association	10	8
Mr Steve Minuzzo	Master Builders Association	10	10
Mr Larry Moore	National Electrical and Communications Association	10	9

Deputies

Mr Stuart Gordon	Australian Manufacturing Workers Union	0	0
Mr Adrian Valente	Communications, Electrical, Energy and Plumbing Union	0	2
Ms Melissa Adler	Housing Industry Association	0	2
Ms Elizabeth O'Conner	National Electrical and Communications Association	0	1
Ms Holly Gardner	Master Builders Association	0	0

Board Committees

The Board established two standing subcommittees at the beginning of 2025:

Investment Subcommittee	Members	Meetings Available to Attend	Meetings Attended
	Ms Kim Eldridge	1	1
	Mr Steven Minuzzo	1	1
	Ms Kristen Rogers	1	1
Audit & Risk Subcommittee			
	Ms Kim Eldridge	1	1
	Mr Larry Moore	1	1
	Ms Kristen Rogers	1	1

Overseas Travel

During the 2024/2025 financial year, no members of the Board engaged in overseas travel in their capacity as a member of the Board.

Risk Management

The Board has a structured approach to risk management via a risk management framework and risk register that is reviewed regularly.

Fraud Detected in the Scheme

Category/Nature of Fraud	Zero
Number of Instances	Zero

Public Interest Disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the Public Interest Disclosure Act 2018: Zero

Annual Report

The 2023/2024 Annual Report was tabled in Parliament in accordance with the Act on the 17th of October 2024.

Actuary Report

The 2023/2024 Actuary Report was tabled in Parliament in accordance with the Act on the 17th of October 2024.

Board Remuneration

Board members are remunerated in accordance with Department of Premier and Cabinet (DPC) Circular 16 – Remuneration for Government Appointed Part Time Boards and Committees. The Board's remuneration level was reviewed during the year and the Board is now classified as a Category 1, Level 5 Board.

Financial Performance

The Board received an Unqualified Audit Report from Nexia Edwards Marshall for the 2024/2025 year.

Fraud

No instances of external fraud/theft were detected during the 2024/2025 financial year.

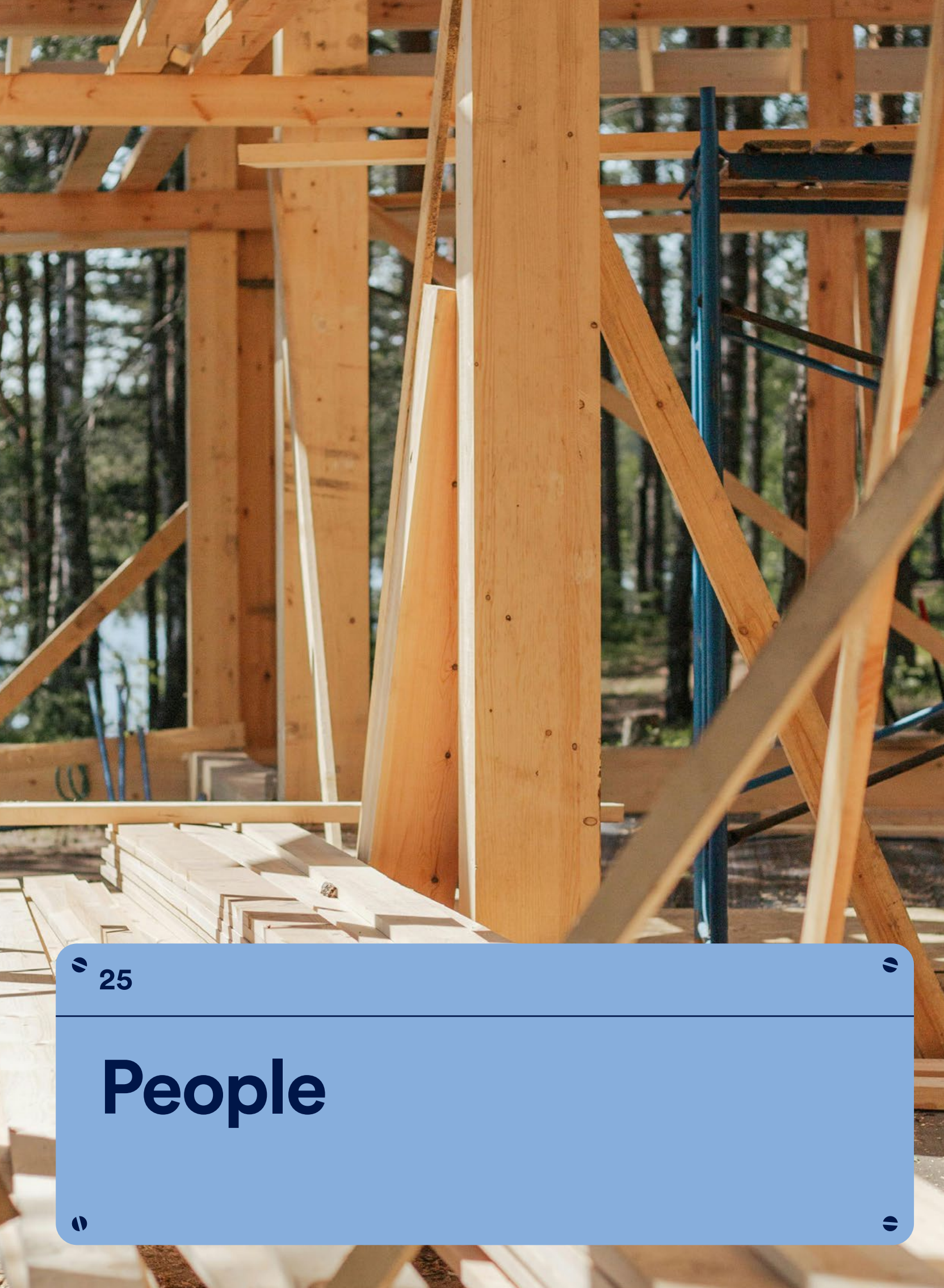
Delegations

The Board maintains a schedule of delegations that is reviewed annually. It was reviewed and subsequently approved in the May 2025 Board Meeting.

Day to day management of the Board's affairs and the implementation of strategy and policy are delegated to the Chief Executive Officer and Management of the SA Portable Long Service Leave - Construction Industry business.

Insurance

The Board has insurance cover through the South Australian Government Financing Authority (SAFA).



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People

HR Engagement

SAPLSL implemented a HR Engagement Plan to increase employee involvement, satisfaction, and productivity across the business. This ongoing initiative reflects our commitment to fostering a positive workplace culture where employees are empowered to contribute meaningfully and succeed in their careers. Engagement continues through regular staff surveys, team meetings, and feedback channels, ensuring continuous improvement and a responsive work environment.

Organisational Structure Review

In 2024/2025, SAPLSL undertook a comprehensive review of its operations. This strategic evaluation identified opportunities to enhance capabilities, with a particular focus on IT infrastructure, data and reporting systems, and operational processes.

Personal Development

This year, SAPLSL launched a Data Literacy Program to strengthen its data-driven culture and ensure compliance with state legislation. The initiative equips employees with the skills to understand, interpret, and use data effectively, empowering informed decision-making across the organisation. It reflects our commitment to making data a core part of how we work and drive impact.

Reconciliation

In March 2025, SAPLSL marked a key milestone with the formal endorsement of its inaugural Reconciliation Action Plan (RAP). This reflects our commitment to meaningful engagement with Aboriginal and Torres Strait Islander communities and reinforces our broader social responsibility.

Occupational Safety, Health and Injury Management

The Board is committed to ensuring the well-being and safety of its staff. The reportable statistics for the year are:

Results for year (2024/2025)	
Number of fatalities	Zero
Lost time injury and disease	Zero
Percentage of injured workers returned to work within 13 or 26 weeks	N/A
Percentage of managers and supervisors trained in work health and safety injury management responsibilities	100%

Corruption Prevention

The Board maintained the highest standards of integrity throughout the year. By implementing comprehensive anti-corruption policies, promoting transparency, and ensuring compliance, the Board strives to deter unethical practices.

Equality

The Board is an Equal Opportunity Employer and encourages Aboriginal and Torres Strait Islander people and people from culturally diverse backgrounds to apply for advertised positions. The Board is committed to providing its services free from any form of discrimination.



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Financial Statements

Construction Industry Long Service Leave Board

Statement of Comprehensive Income

for the Year Ended

30 June 2025

	Note	2025 \$000	2024 \$000
Income From Ordinary Activities			
Levies	3	25,852	24,462
Realised Investment Income	3	17,357	10,578
Unrealised Gain/(Loss) on Financial Assets at Fair Value Through Profit or Loss	3	(2,763)	2,285
Other	3	156	10
Total Income		40,602	37,335
Expenses From Ordinary Activities			
Worker Payments Expense	4	26,801	28,439
Employee Benefits Expense	5	1,439	1,234
Depreciation charge for Property, Plant and Equipment	10	26	21
Depreciation charge for Right-of-Use Asset	11	89	89
Interest expense on Registered Contractor Funds		323	418
Interest expense on Lease Liability		10	12
(Reversal of Impairment Loss)/Impairment Loss on Receivables	9	(59)	341
Other Expenses	6	1,228	1,183
Total Expenses		29,857	31,737
Total Surplus		10,745	5,598
Total Other Comprehensive Income		-	-
Total Comprehensive Income		10,745	5,598

The above statement should be read in conjunction with the accompanying notes.

Construction Industry Long Service Leave Board

Statement Of Financial Position

as at 30 June 2025

	Note	2025 \$000	2024 \$000
Assets			
Cash and Cash Equivalents	8	6,871	16,421
Receivables and Other Assets	9	6,396	5,624
Financial Assets	9	205,128	179,128
Property, Plant & Equipment	10	106	86
Right of Use Assets	11	453	543
Total Assets		218,954	201,802
Liabilities			
Trade and Other Payables	12	294	289
Lease Liability	11	539	630
Employee Benefits	13	185	106
Worker Payments	13	189,976	183,839
Registered Contractor Contribution Fund	13	7,774	7,497
Total Liabilities		198,768	192,361
Net Assets		20,186	9,441
Equity			
Accumulated Surplus		20,186	9,441

The above statement should be read in conjunction with the accompanying notes.

Construction Industry Sector Long Service Leave Board

Statement of Cash Flows

for the Year Ended

30 June 2025

	Note	2025 \$000 Inflows (Outflows)	2024 \$000 Inflows (Outflows)
Cash Flows From Operating Activities			
Receipts From Levies & Operations		25,702	24,243
Payments to Workers		(20,663)	(19,306)
Payments to Suppliers & Employees		(2,414)	(2,313)
Repayment of Interest Portion of Lease Liabilities		(10)	(12)
Interest Received		3,043	1,032
Net Cash Provided By (Used In) Operating Activities		5,658	3,644
Cash Flows From Investing Activities			
(Payments to Acquire)/Proceeds from Investment in Term Deposits & Managed Funds		(15,032)	9,098
Payments for Plant & Equipment		(56)	(16)
Proceeds from Sale of Plant & Equipment		16	-
Net Cash Provided By (Used In) Investing Activities		(15,072)	9,082
Cash Flows From Financing Activities			
Net payments from Registered Contractors Fund		(45)	(181)
Repayment of Principal Portion of Lease Liabilities		(91)	(87)
Net Cash Provided By (Used In) Financing Activities		(136)	(268)
Net Increase (Decrease) in Cash Held		(9,550)	12,458
Cash at the Beginning of the Year		16,421	3,963
Cash at the End of the Year	8	6,871	16,421

The above statement should be read in conjunction with the accompanying notes.

Construction Industry Sector Long Service Leave Board
Statement of Changes in Equity
for the Year Ended
30 June 2025

	Accumulated Surplus	Total Equity
	\$000	\$000
Balance at 30 June 2023	3,843	3,843
Surplus for 2024	5,598	5,598
Balance at 30 June 2024	9,441	9,441
Surplus for 2025	10,745	10,745
Balance at 30 June 2025	20,186	20,186

The above statement should be read in conjunction with the accompanying notes.

Construction Industry Sector Long Service Leave Board

Notes to the Financial Statements

for the Year Ended

30 June 2025

1 GENERAL INFORMATION

The The Construction Industry Long Service Leave Board is responsible for administering the Construction Industry Fund which controls levies collected from employers to provide portable long service leave for employees in the construction industry.

The reporting entity is The Construction Industry Long Service Leave Board, a statutory scheme created pursuant to the *Construction Industry Long Service Leave Act 1987*. The Board operates in the State of South Australia.

The financial report has been prepared based on a twelve month operating cycle and presented in Australian currency and rounded to the nearest thousand dollars (\$000).

The financial statements were authorised for issue by the Board on 23 September 2025.

2 MATERIAL ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board (AASB), Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987* to the extent applicable. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, with the exception of the Statement of Cash Flows, have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement at fair value of financial assets.

(b) CHANGES IN MATERIAL ACCOUNTING POLICIES

New and Amended Accounting Standards Adopted by the Entity

The Construction Industry Long Service Leave Board has adopted all of the new or amended Accounting Standards and interpretations issued by the Australian Standards Board (AASB) that are mandatory for the current reporting period.

The adoption of these Accounting Standards and interpretations did not have any significant impact on the financial performance or position of the entity.

(c) COMPARATIVE INFORMATION

The presentation and classification of items in the financial report are consistent with prior periods, unless otherwise stated.

(d) TAXATION

The Construction Industry Long Service Leave Board is exempt from income tax under Section 11 of the *Income Tax Assessment Act 1997*. The Board is liable for fringe benefits tax (FBT) and goods and services tax (GST).

Revenue, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable. Receivables and payables are stated with the amount of GST included.

(e) PRESENTATION OF STATEMENT OF FINANCIAL POSITION ON A LIQUIDITY BASIS

The Board have taken the view in complying with the requirements of Australian Accounting Standards that the treatment of worker payments as current liabilities does not reflect the true liquidity of the entity as these liabilities are not likely to be repaid in the next 12 months.

Accordingly, the Board has chosen to present its statement of financial position under the liquidity presentation method under AASB 101 Presentation of Financial Statements on the basis it presents a more reliable and relevant view.

(f) ESTIMATION UNCERTAINTY

When preparing the financial statements the Board is required to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The Board continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The Board bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, the Board believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

- Note 3 - Revenue recognition - recognition of income from levies and penalties
- Note 9 - Receivables and Other Assets - measurement of estimated credit loss allowance for trade and other receivables - key assumptions in determining the average historical loss rate
- Notes 9 and 16 - Financial assets at fair value through profit or loss - key assumptions for fair value measurement.
- Note 10 - Impairment test of plant and equipment - key assumptions underlying the identification of impairment indicators
- Note 11 - Leases - whether a contract is, or contains, a lease and the assessment of the lease term.
- Note 13 - Provision - Worker Payments - key actuarial assumptions;
- Notes 13 and 14 – recognition and measurement of provisions and contingencies - key assumptions about the likelihood and magnitude of an outflow of resources.

(g) EVENTS AFTER THE REPORTING PERIOD

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

The Board is not aware of any significant events since the end of the reporting period.

3 INCOME

Income from Levies and Penalties

The Board earns income from levies and penalties imposed under the Construction Industry Long Service Leave Act 1987.

The levy rate prescribed in accordance with regulations under the Act for the Construction Industry Fund was 2.00% of total remuneration paid to employees for the year ending 30 June 2025. Levies are recognised when returns are received with an accrual to recognise levies received from employers after the end of the reporting period but relating to the May/June billing cycle. The service related to these levies are included in the actuarial assessment of worker payment liabilities.

The Board has determined that levies and penalties are transactions to principally enable the entity to further its objectives and has recognised income when the right to receive the levy is recognised (on receipt of returns lodged by employers) under AASB 1058. There is no sufficiently specific obligation to be performed for receiving the levies and penalties.

The Board has considered the disaggregation of income into categories that reflect how the nature and amount of income (and resultant cash flows) are affected by economic factors. The Board has considered income from levies and penalties by variation in the geographical region, type of counterparty to which the levy rate applies, including number of workers per employer or variation in rate applied (other than the date from which the rate applies) and determined that further disaggregation does not provide more useful information.

Investment Income

Realised investment income includes distributions from financial assets (managed funds) and interest income arising from financial assets measured at amortised cost. For unrealised gains/losses on financial assets, the fair value movements are recognised through profit or loss.

Realised investment income comprises:

	2025	2024
	\$000	\$000
Interest Income	3,008	2,609
Distributions from Managed Funds	5,971	7,534
Realised Gains on Disposal of Financial Assets	8,378	435
	17,357	10,578

Other Income

Other income includes profit on the sale of property, plant and equipment and sundry income.

4 WORKER PAYMENTS EXPENSE

	2025	2024
	\$000	\$000
Actuarial Assessment at End of the Year	189,976	183,839
Worker Payments during the Year	20,664	19,306
Actuarial Assessment at Beginning of the Year	(183,839)	(174,706)
Total Worker Payments Expense	26,801	28,439

5 EMPLOYEE BENEFITS EXPENSE

	2025	2024
	\$000	\$000
Salaries and Wages	1,143	1,033
Long Service Leave	44	5
Annual Leave	36	2
Employment on-costs - Superannuation	135	127
Employment on-costs - Other	16	19
Board Fees	65	48
Total Employee Benefits Expense	1,439	1,234

The number of employees at 30 June 2025 was 15 (2024: 13).

6 OTHER EXPENSES

	2025	2024
	\$000	\$000
Motor Vehicles	10	14
Accommodation	40	36
Staff Training and Development	131	169
Audit, Actuary and Legal	276	213
Consultancy	80	124
Information and Telecommunications Technology	491	447
Other Administration	200	180
Total Other Expenses	1,228	1,183

7 AUDITOR'S REMUNERATION

During the financial year the following fees were paid or payable for services provided by Nexia Edwards Marshall, the auditor of the Board:

	2025	2024
	\$000	\$000
Audit of the Financial Statements	18	17
Other Services - Review of Actuarial Processes	25	-
	43	17

8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents recorded in the Statement of Financial Position and Statement of Cash Flows include cash on hand and demand deposits. Cash is measured at nominal value. For the purpose of the Statement of Cash Flows, cash includes all bank balances. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2025	2024
	\$000	\$000
Cash at Bank	6,871	16,421
Total Cash And Cash Equivalents	6,871	16,421

9 RECEIVABLES, OTHER ASSETS AND FINANCIAL ASSETS

Trade and other receivables

Trade receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The Board has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. The Board's receivables include amounts receivable from employer debtors (levies) less expected credit losses, accruals, sundry debtors and prepayments. Employer debtors arise in the normal course of collecting levies from employers and are generally receivable 21 days following the end of the two monthly billing cycle. Accrued contributions are levies received from employers after the end of the reporting period but relating to the May/June billing cycle. The service related to these contributions is included in the actuarial assessment of worker payment liabilities.

Investments and other financial assets

The Board's financial assets include investments in managed funds and term deposits, as part of a portfolio of identified investments that are managed together in accordance with a documented investment strategy.

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Board has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets at amortised cost, employer debtors and sundry debtors

The Board recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Board's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

	2025	2024
	\$000	\$000
Employer Debtors	685	551
Expected Credit Loss Allowance	(77)	(174)
	608	377
Accrued Contributions	3,349	3,297
Sundry Debtors & Prepayments	2,439	1,950
Total Receivables And Other Assets	6,396	5,624

Receivables, other assets and financial assets are expected to be realised within 12 months from the end of the financial year.

Reconciliation of the closing and the opening loss allowance:

	2025	2024
	\$000	\$000
Balance at 1 July	174	135
Amounts written off	(38)	(302)
Amounts recovered	-	-
Reversal of impairment loss	(59)	341
Carrying Amount At The End Of The Year	77	174

	2025	2024
	\$000	\$000
Financial Assets at Fair Value Through Profit or Loss		
Managed Funds	157,290	131,322
Financial Assets at Amortised Cost		
Term Deposits	47,838	47,806
Total Financial Assets	205,128	179,128

The managed funds which are financial assets measured at fair value through profit or loss includes the investment in Dexus Diversified Infrastructure Trust A and Diversified Infrastructure Trust B at total carrying value of \$12.6m (2024: \$11.8m). The Board submitted a redemption notice to redeem the investments in Dexus Diversified Infrastructure Trust A and Diversified Infrastructure Trust B, however all redemptions on the investment are currently suspended. The time period associated with this suspension is not known to the Board. The fair value of the Board's investment in both Dexus Diversified Infrastructure Trust A and Diversified Infrastructure Trust B recognised as at 30 June 2025 has taken into account all available information as at year end. Any changes of available facts and circumstances in the future could have an impact on the fair value of the investment subsequently. The Board has assessed and concluded that sufficient working capital is, and will remain available to the Board, to meet the requirements of its business and operation and fulfill all of the Board's obligations in the event that the Board is unable to realise the investments in Dexus Diversified Infrastructure Trust A and Diversified Infrastructure Trust B in the short and medium term.

10 PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment are measured at cost less depreciation and impairment losses.

The residual values, useful lives and depreciation methods of all major assets held by the Board are reviewed and adjusted if appropriate on an annual basis.

Leasehold improvements are amortised over their estimated useful life or the unexpired portion of the relevant lease, whichever is the shorter.

Depreciation of assets is determined by using both the diminishing value and straight line method, and the Board's determined applicable annual rates of depreciation:

— Office Equipment	25 - 50%
— Office Furniture and Fittings	10 - 25%
— Motor Vehicles	15%

All items of property, plant and equipment are tested for indications of impairment at the end of the reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income.

	2025 \$000	2024 \$000
Leasehold Improvements at Cost	46	46
less Accumulated Depreciation	(46)	(46)
	-	-
Office Equipment at Cost	94	102
less Accumulated Depreciation	(61)	(73)
	33	29
Office Furniture and Fittings at Cost	50	48
less Accumulated Depreciation	(27)	(24)
	23	24
Motor Vehicles at Cost	65	55
less Accumulated Depreciation	(15)	(22)
	50	33
Total Plant and Equipment at Cost	255	251
less Accumulated Depreciation	(150)	(165)
Total Plant and Equipment	106	86

Movements in the carrying amounts of each class of plant and equipment between the beginning and the end of the financial year were as follows:

	Leasehold Improvements	Office Equipment	Office Furniture and Fittings	Motor Vehicles	Total
	\$000	\$000	\$000	\$000	\$000
2024					
Balance at Beginning of Year	-	25	25	41	91
Additions	-	13	3	-	16
Disposals	-	-	-	-	-
Depreciation Expense	-	(9)	(4)	(8)	(21)
Balance at End of Year	-	29	24	33	86
2025					
Balance at Beginning of Year	-	29	24	33	86
Additions	-	16	3	37	56
Disposals	-	-	-	(10)	(10)
Depreciation Expense	-	(12)	(4)	(10)	(26)
Balance at End of Year	-	33	23	50	106

Impairment of non financial assets

Plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

There were no indications of impairment of property, plant or equipment at 30 June 2025.

11 LEASES

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Board's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The Board leases its office at Rose Park. The premises are recognised as a right-of-use asset with a corresponding lease liability in the Statement of Financial Position. The lease is subject to variable lease payments, due to an annual increase and reduced by a lease incentive for a period of 2 years. The term of the lease is 5 years, with extension options the Board is reasonably likely to exercise for a further 2 and 2 years

The lease liability is discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Board's incremental borrowing rate.

Right-of-use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Board expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Right of Use Assets

	2025	2024
	\$000	\$000
Right of Use Asset	1,262	1,262
less Accumulated Depreciation	(809)	(719)
Total Right of Use Asset	453	543

Movements in the carrying amounts at the beginning and end of the financial year are set out below:

	2025 \$000	2024 \$000
Balance at Beginning of Year	543	632
Additions	-	-
Depreciation Expense	(90)	(89)
Balance at End of Year	453	543

Lease Liabilities

	2025 \$000	2024 \$000
Lease Liability	539	630
Total Lease Liability	539	630

Future lease payments

Future lease payments are due as follows:

	2025 \$000	2024 \$000
Within One Year	105	102
One to Five Years	460	555
More Than Five Years	-	10
	565	667

12 TRADE AND OTHER PAYABLES

Payables include trade creditors and accruals, including goods and services received prior to the end of the reporting period that are unpaid at the end of the period. Payables are measured at their nominal value and are normally settled within the terms of payment stipulated by the supplier.

	2025 \$000	2024 \$000
Financial liabilities at amortised cost		
Trade Creditors	60	122
Sundry and Other Creditors	234	167
Total Payables	294	289

13 PROVISIONS

Provisions are recognised when the Board has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured using the best estimate of amounts required to settle the obligation at the end of the financial year.

Worker Payment Provision

Provision is made for amounts due to construction industry employees under the current legislation based on an annual independent actuarial assessment of worker payment liabilities. The effective date of the actuarial report on the worker payment liabilities is 30 June 2025. The actuarial report for the Construction Industry Long Service Leave Board was prepared by Mark Samuels, FIAA of Mercer and was dated 22 August 2025.

The actuarial report indicates Mr Samuels is satisfied as to the accuracy of the data upon which the worker payment liabilities have been determined.

Audit of Actuarial Methods

During the financial year, the actuarial model used to determine worker payment liabilities was subject to an independent review commissioned by the Board. The review was conducted by George Whittington of Nexia Edwards Marshall and assessed the design, assumptions, data inputs, and outputs of the model used by Mercer.

Mercer responded to the review and agreed to implement the majority of recommendations in the 2025 actuarial review, with remaining items scheduled for implementation in 2026. These recommendations include enhancements to documentation, model transparency, and output validation.

The Board considers the review and Mercer's response to be sufficient to support the reliability of the provision recognised in the financial statements.

Actuarial Methods

Scheme liabilities in relation to worker payments are measured as the amount of a portfolio of investments that would be needed, as at the reporting date, to yield future net cash inflows that would be sufficient to meet accrued benefits as at that date when they are expected to fall due. In determining the appropriate discount rate, the actuary considers an investment portfolio that reflects the opportunities reasonably available to the Scheme in the investment markets, and also reflects the Scheme's actual investments and investment strategy in respect of worker liabilities. The liabilities have been calculated using a "best estimate" method incorporating assumptions on expected actual investment returns, wage inflation, exit rates, take up of long service leave whilst in service, future service credits and an allowance for the operating expenses of the fund. Changes were made to the model to recognise a change in the definition of service credits for the purpose of determining eligibility. The model was updated to better represent the payments made to workers on termination who are entitled to long service on reaching the assumed maximum age of retirement.

Processes used to Select Assumptions

Assumptions relating to the valuation of the worker payment provision can be categorised as financial or demographic.

Financial Assumptions

Financial assumptions consist of the rate of investment earnings for the Fund's assets and the rate of pay increases.

The rate of return on investment is informed by the Board's investment advisers, Mercer Investments based on the current strategic asset allocation for the short to medium term and over the longer term.

Wage inflation should reflect the long term trend and expectations regarding the future and is derived from the average increase in ordinary weekly pay per annum over the last five years and current economic forecasts for the next five years.

Demographic Assumptions

Demographic assumptions are determined from analysis of the Fund's experience over the last three years and include the rate at which members move from active to inactive, rates of exit for leaving the industry, leave taken per year and a service accrual percentage. The death rate is derived from Australian Life Tables.

Sensitivity Analysis

The worker payment liabilities are sensitive to changes in the actuarial assumptions adopted for the valuation. The absolute levels of the assumptions for investment returns and wage inflation are less important than the difference or 'gap' between them.

Registered Contractor Contribution Fund

Registered contractor funds are voluntary contributions by registered contractors and working directors to fund their own long service leave and include accrued interest that is credited monthly.

Employee benefits

Employee benefits accrue for employees as a result of services provided up to the end of the financial year that remain unpaid and include annual and long service leave entitlements plus an allowance for on-costs.

Annual leave liability is measured at the undiscounted amount expected to be settled within 12 months.

The liability for long service leave is measured as the present value of expected future payments to be made and based on assumptions including expected future salary and on-costs, experience of employee departures and periods of service. Any re-measurements arising for changes in assumptions are recognised in profit or loss in the period in which the changes occur.

The unconditional portion of the long service leave provision is expected to be settled within 12 months as the Board does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 7 years of service and measured at nominal value.

The liability for long service leave for employees who do not have an unconditional right to payment has been measured at the present value of the future cash outflows to be made for these benefits accrued to the reporting date expected to be settled after 12 months.

No provision has been made for personal leave as all personal leave is non-vesting.

Worker Payments

	2025 \$000	2024 \$000
Expected to be settled within 12 months	19,210	17,000
Expected to be settled after 12 months	170,766	166,839
Total Worker Provisions	189,976	183,839

Registered Contractor Contribution Fund

	2025	2024
	\$000	\$000
Expected to be settled within 12 months	864	500
Expected to be settled after 12 months	6,910	6,997
Total Registered Contractor Provisions	7,774	7,497

Employee Benefits

	2025	2024
	\$000	\$000
Annual Leave expected to be settled within 12 months	76	40
Long Service Leave expected to be settled within 12 months	71	48
Long Service Leave expected to be settled after 12 months	39	18
Total Employee Provisions	185	106

Movements in the carrying amounts of worker payment liabilities between the beginning and the end of the financial year were as follows:

	Worker Payments \$000
2024	
Carrying Amount at Beginning of Year	174,706
Provision Used	(19,306)
Additional Provisions Recognised	28,439
Carrying Amount at End of Year	183,839
2025	
Carrying Amount at Beginning of Year	183,839
Provision Used	(20,664)
Additional Provisions Recognised	26,801
Carrying Amount at End of Year	189,976

Included in the additional provision recognised for worker payments was an amount of \$9.5m (2024: \$8.6m) related to the change in the provision due to the passage of time. This would ordinarily be disclosed as a finance cost but for the Board's accounts it is more appropriately disclosed as part of worker payments as it arises from assumptions used as part of the actuarial assessment.

14 CONTINGENT ASSETS AND LIABILITIES

The Board has provided a bank guarantee as at 30 June 2025 of \$24,238 (2024: \$24,238) as required by the lease agreement.

There are no contingent assets as at 30 June 2025.

15 CAPITAL COMMITMENTS

There are no capital commitments as at 30 June 2025.

16 FAIR VALUE OF ASSETS AND LIABILITIES

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Board measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

The Board measures and recognises financial assets at fair value through profit or loss on a recurring basis after initial recognition. The Board does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

For investments in financial assets at fair value through profit or loss, the fair values have been determined based on quoted market prices at the end of the reporting period.

	2025	2024
	\$000	\$000
Recurring fair value measurements		
Financial assets		
Financial assets at fair value through profit or loss	157,290	131,332
	157,290	131,332

17 KEY MANAGEMENT PERSONNEL AND RELATED PARTIES

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel (KMP).

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Related Party Transactions

During the year, the Board received levies which amounted to \$344 (2024: \$1,465) from an employer in which a KMP of the Board acted as a director.

The Construction Industry Long Service Leave Board and the Community Services Sector Long Service Leave Board are related parties as they share common key management personnel, including the Chief Executive Officer.

During the financial year, the Construction Industry Long Service Leave Board paid operating costs on behalf of the Community Services Sector Long Service Leave Board totalling \$64,831. These payments were formalised through a short-term loan agreement on commercial terms. The loan was unsecured, interest-bearing at initially 4.23% p.a., revised to 3.98% p.a. from 28 February 2025 and repayable on demand. The Community Services Sector Long Service Leave Board fully repaid the loan before 30 June 2025 and no amounts pertaining to this facility were outstanding at balance date.

In addition to the loan, the Construction Industry Long Service Leave Board had the following balances with the Community Services Sector Long Service Leave Board as at 30 June 2025:

Sundry Debtors	2,750
Trade Creditors	2,287

These balances relate to transactions for shared services and reimbursements.

All transactions were conducted on normal commercial terms and conditions.

KMP Compensation

	2025 \$000	2024 \$000
Short-term employee benefits	282	271
Post-employment benefits	32	40
	314	311

The names of Board/Deputy Members who have held office during the period are:

Ms Kim Eldridge (Presiding Officer)	
Mr Steven Minuzzo	Ms Holly Gardner (Deputy)
Mr Stephen Knight	Ms Melissa Byrne (Deputy)
Mr Peter Bauer	Mr Stuart Gordon (Deputy)
Mr John Adley	Mr Adrian Valente (Deputy)
Mr Laurence Moore	Ms. Demi Brown (resigned) Ms Elizabeth O'Connor (Deputy)
Ms Kristen Rogers	

The Board was originally appointed by the Governor on 27 June 2017, effective 1 July 2017 for a period of five years. On 29 September 2022 the full Board (including Deputies) was re-appointed for a period of five years, expiring on 28 September 2027.

- Ms Kristen Rogers was appointed on 26 September 2024
- Ms Elizabeth O'Connor was appointed on 6 February 2025
- Ms Demi Brown resigned on 4 November 2024

Statement by the Board

In the opinion of the Board:

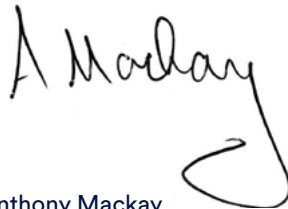
1.
 - (a) The accompanying Statement of Comprehensive income gives a true and fair view of the surplus of the Construction Industry Long Service Leave Board for the year ended 30 June 2025;
 - (b) The accompanying Statement of Financial Position gives a true and fair view of the state of affairs of the Construction Industry Long Service Leave Board as at 30 June 2025;
 - (c) The accompanying Statement of Cash Flows gives a true and fair view of the cashflows of the Construction Industry Long Service Leave Board as at 30 June 2025; and
 - (d) The internal controls over the financial reporting have been effective throughout the reporting period.
2. At the date of this statement there are reasonable grounds to believe the Construction Industry Long Service Leave Board can meet its debts as and when they falls due.
3. The Construction Industry Long Service Leave Board does not have the power to amend the Financial Statements after issue.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board.



Kim Eldridge
Presiding Officer

23rd September 2025



Anthony Mackay
Chief Executive Officer



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Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE PRESIDING OFFICER OF THE CONSTRUCTION INDUSTRY LONG SERVICE LEAVE BOARD

Opinion

We have audited the financial report of the Construction Industry Long Service Leave Board (the 'Entity'), which comprises the Statement of Financial Position as at 30 June 2025, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Statement by the Board.

In our opinion, the accompanying financial report presents fairly in all material respects, the financial position of the Entity as at 30 June 2025, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Simplified Disclosures.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board are responsible for the other information. The other information comprises the information in the Entity's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Advisory. Tax. Audit.

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INDEPENDENT AUDITOR'S REPORT TO THE PRESIDING OFFICER OF THE CONSTRUCTION INDUSTRY LONG SERVICE LEAVE BOARD (CONT)

Board Members' responsibility for the financial report

The Board of the Entity are responsible for the preparation and fair presentation the financial report, and have determined that the basis of preparation described in Note 2 is appropriate to meet the requirements of *Construction Industry Long Service Leave Act 1987* and the *Public Finance and Audit Act 1986* (as applicable to the Entity), and is in accordance with Australian Accounting Standards – Simplified Disclosures, and for such internal control as the Board determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

The Board are responsible for overseeing the financial reporting process.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

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INDEPENDENT AUDITOR'S REPORT TO THE PRESIDING OFFICER OF THE CONSTRUCTION INDUSTRY LONG SERVICE LEAVE BOARD (CONT)

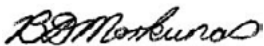
Auditor's responsibility for the audit of the financial report (cont)

- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Nexia Edwards Marshall
Chartered Accountants



Brett Morkunas
Partner

Adelaide
South Australia

23 September 2025

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Vision

Every eligible worker and employer in the South Australian construction industry can enjoy the benefit of long service leave.

Mission

To deliver SA Portable Long Service Leave - Construction Industry to the South Australian construction industry.

Values

Service

We provide a high level of service to South Australian construction industry workers and employers.

Sustainable

We achieve the best results for both current and future construction industry workers and employers.

Professional

We exhibit high standards of professional behaviour at all times.

Respect and Trust

We interact in a respectful way and we build trust.

Collaboration and Engagement

We create solutions together.

