



Our Role

TasBuild Limited is a public trustee company established to administer the Construction Industry Long Service Scheme.

TasBuild prides itself on being a client focussed service organisation. The Trustee has a commitment to employers in the industry to ensure they are aware of their obligations under the administration and is extremely motivated to ensure that all workers receive their long service leave entitlements.

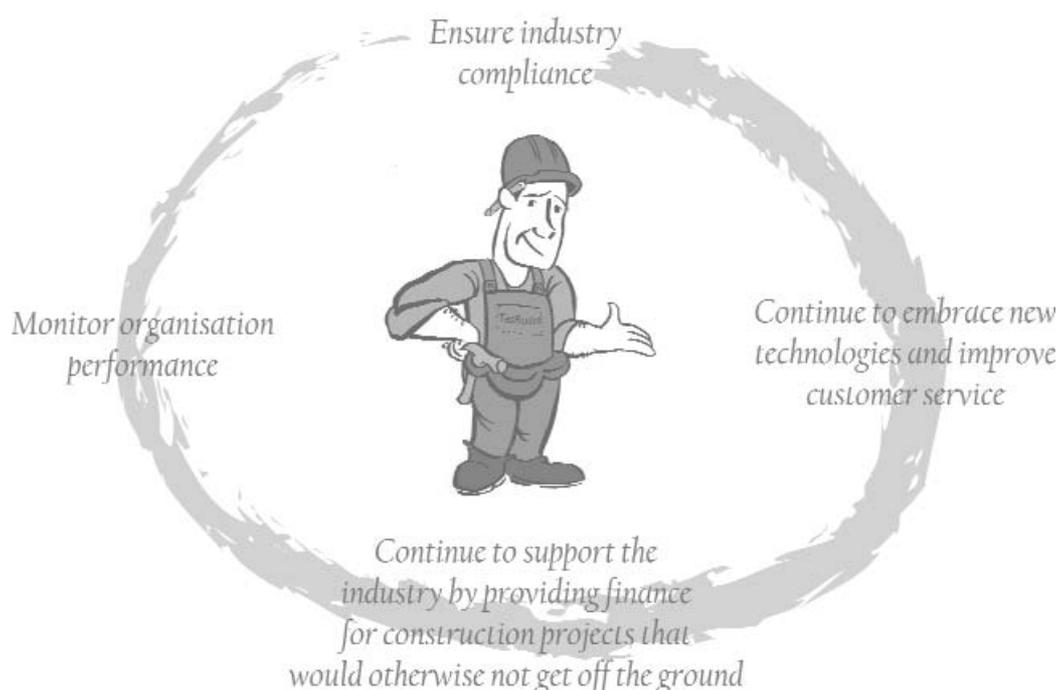
TasBuild is currently undertaking market research to measure the level of compliance within the industry. It is one of the primary objectives of the organisation to ensure a level playing field for all employers in the industry.

TasBuild possesses the personnel and technology which enables it to not only continually improve their customer service but also to administer a unique, detailed and diverse database at a minimum cost to members.

TasBuild will continue to develop new ideas and strategies to market the long service scheme to all those entitled to participate in the scheme.

Our Mission

*To be a dynamic and client focussed industry organisation,
effectively delivering long service benefits to workers in the
Tasmanian construction industry*





Peter Champion of Fairbrother Pty Ltd calling the shots at Hobart Silos

Contents



Note from the Chairman	2
From the CEO's Desk	3
Board Directors	4
Annual Snapshot	6
In the Office	7
The Financials	8

From the Chairman

Since incorporation David Louez has held both the roles of Chairman and Chief Executive Officer.

David first became aware of the scheme when as Director Corporate Services of the then Workplace Standards Authority administration of the scheme was transferred to the Authority. The Government made David Chairman of an interim board to oversee the privatisation and following incorporation the Board appointed him as Chairman. David was subsequently appointed the Chief Executive Officer and has fulfilled both roles until recently when for corporate governance reasons he resigned his position as Chairman on 9 May, 2001.

David played a major role in the privatisation of the scheme and has been largely responsible for the development of a highly professional private sector organisation operating at the leading edge of technology. David will continue for a short while in his position as Chief Executive before retiring. On behalf of the industry, Board and staff I would like to take this opportunity to formally acknowledge his contribution and wish him well in his pending retirement.

The past year has seen significant changes in the Board of TasBuild.

The 2000/2001 financial year also saw the departure of three inaugural directors from the Board due to change in their respective employment. To the departing members, namely Tim Abey, Alex Bukarica and Lynne Fitzgerald I extend my thanks for their invaluable contribution. I welcome the new directors to the Board and acknowledge the contribution already made by them.

The Annual Meeting of Beneficiaries, Potential Beneficiaries and Contributors was not well attended. This resulted in a special resolution of the Directors to change the Trust Deed to ensure that the widest possible notice of the meeting was made.

A Special Annual Meeting of Beneficiaries and Contributors was convened and the resolution passed with unanimous support from both Beneficiaries and Contributors.

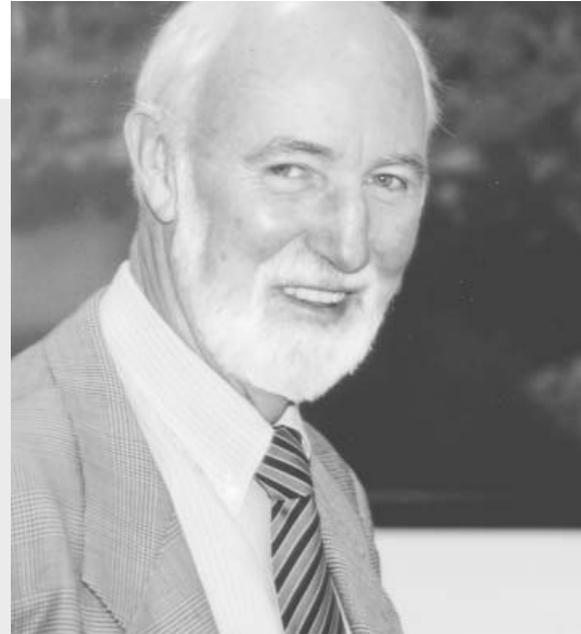
The Board agreed to increase funding for construction industry projects from \$2 million to \$9 million. The funding is to assist projects to get off the ground in Tasmania where there is a shortfall in the finance available to the project from various lending authorities. This decision will provide continuity of employment for members of the Fund as well as assisting the building and construction industry in a positive manner.

All projects are required to provide an exit strategy for the return of any loan within a two-year period thereby enabling the Trustee to assist projects with up to \$4.5 million each year.

The Board is confident that the scheme is meeting its objectives and providing a high quality service to the Tasmanian Construction Industry.

I would like to thank both the Board for their confidence in appointing me their Chairman and David and his staff for their dedication and support.

*Des Hodgman
Chairman*



Des was an inaugural Director of the Board until his retirement from the Master Builders Association in June 2000.

He was appointed as Director and Independent Chairman of the Board with effect from 9 May, 2001. Des was involved with the Master Builders Association for 30 years having held the position of Executive Director of the Queensland Master Builders' Association for 19 years prior to returning to Tasmania and taking up a similar position with the MBA in 1992.

Des helped establish BUSS, the Queensland Superannuation Scheme and was the founding Secretary and Trustee of the Fund for 8 years. Des has been heavily involved in training in the building and construction industry having established the QMBA Group Training Scheme which is now part of the Queensland Construction Industry Training Council.

From the CEO's Desk

During the year the Board revisited its long-term investment strategy and following advice from its investment advisors elected to adopt a less aggressive asset allocation. The average return from all Fund Managers saw a return slightly above benchmark with funds managed internally outperforming benchmark. Notwithstanding this outcome, given the downturn in financial markets during the year the net return of 6.38% was considerably lower than the 9.02% earned last financial year.

Since incorporation the Trustee has contracted out client services support. This position ceased in November 2000 and resulted in the appointment of an additional staff member who has assumed responsibility for client services and assisting in marketing and promotional activities. The contribution made by this officer has already been significant.

TasBuild prides itself on being a client driven organisation. Earlier this year the management of TasBuild set about to make a conscience effort to become a proactive leader in the Industry. We have already begun to achieve some short term goals and will continue to embrace new technologies such as the internet to give our clients an improved level of service.

The financial position of the Trustee remains solid with a small increase in net assets in the year of review. This increase is, in part, due to the success of the Trustee in recovering contributions for workers with service under the former termination system.

I feel that TasBuild is in a unique and enviable position. Despite this all staff will continually strive to value add to organisation efficiency and effectiveness and therefore benefit all of those involved in the Construction Industry.

This is my last Annual Report and I wish to express my sincere thanks to all the staff at TasBuild for their professionalism and loyalty. Without their dedication and support TasBuild would not be in the leading position it is today.

*David Louez
Chief Executive Officer*

David has over 30 years of senior management experience, has a Bachelor of Business Degree; is a Fellow of CPA Australia; a Fellow of the Taxation Institute of Australia and a Graduate Member of the Australian Institute of Company Directors.

Don Bayles, Managing Director of BSH Electrical Pty Ltd congratulates David Louez, Chief Executive Officer for protecting his workers long service leave entitlements

Board Directors'

Attendance at Board Meetings *10 Meetings held between 1 July 2000 - 30 June 2001*

Director	Attendance	
David Louez (Chairman)	9	<i>Resigned as Chairman 9 May 2001</i>
Des Hodgman (Chairman)	1	<i>Appointed as Chairman 9 May 2001</i>
Tim Abey	2	<i>Resigned 10 August 2000</i>
Terry Edwards	7	<i>Appointed 10 August 2000</i>
Damon Thomas (Alternate for Terry Edwards)	1	
Alex Bukarica	3	<i>Resigned 12 April 2001</i>
Tony Benson (Alternate for Alex Bukarica)	4	
Tony Benson	3	<i>Appointed 12 April 2001</i>
Chris Atkins	6	
Michael Shepperd	10	
Lynne Fitzgerald	4	<i>Resigned 8 March 2001</i>
Kevin Harkins	3	<i>Appointed 8 March 2001</i>
Greg Cooper	9	

TERRY EDWARDS

Tasmanian Chamber of Commerce & Industry

Terry Edwards is the Deputy Chief Executive of the Tasmanian Chamber of Commerce and Industry, a position he was promoted to in June 2001 after a period of 7 years as the organisations Industrial Services Manager.

Terry who is 45 years of age is married with 3 children. Terry has been employed at the TCCI since May, 1981 starting as an Industrial Advocate and progressing through to his current role of second in charge. In his current role Terry has responsibility for the organisation's employee relations services, trade matters, both international and interstate and deputises for the Chief Executive during periods of absence.

Terry has had extensive experience in the representation of employers in the building and construction industry during his time with the TCCI and has undertaken the industrial relations management of a number of construction projects throughout Tasmania.



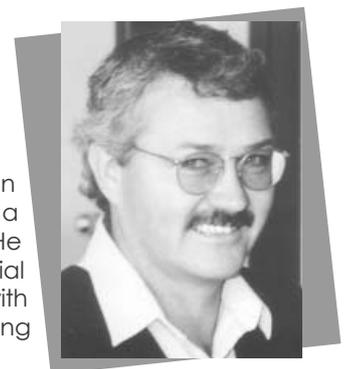
Constitutionally the Trustee operates with a Board of 7, 3 Directors representing employers, 3 Directors representing employees and an Independent Director who is also the Chairman.

GREG COOPER

Australian Manufacturing Workers Union

Greg first joined the AMWU in 1975 when employed as a machinist in Launceston. He has worked as a union official for 13 years as an organiser with the Australian Manufacturing Workers Union.

Greg has represented the Tasmanian Trades and Labor Council on numerous training boards and currently is an Executive Member of the Mining Industry Training Board, Deputy Chair of the Fishing Industry Training Board and a member of the Tasmanian Training and Accreditation Committee.



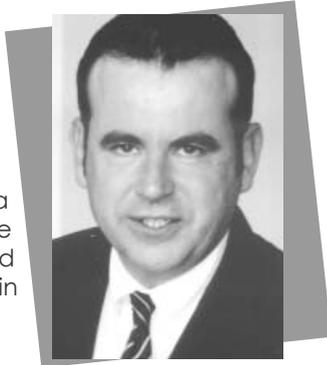
MICHAEL SHEPPERD

Building & Construction
Industry Specialists
Organisation

After graduating in 1983 with a Bachelor of Business Degree (Accounting), Michael gained his work experience within Tasmanian industry.

As a Certified Practising Accountant, Michael's involvement in public practice over the last twelve years has concentrated on the provision of services to specialist contractors in the building and construction industry.

Michael is also a Board member of the Tasmania Electrotechnology and Utilities Industry Training Board, the Building and Construction Industry Council, the AMCA Tasmania Industry Fund and the Tasmanian Building and Construction Industry Training Board - Services.

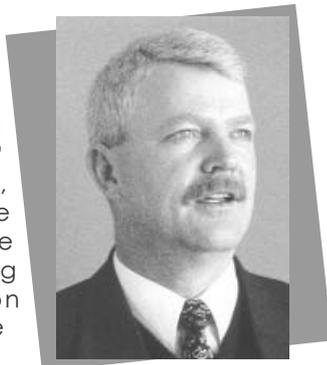
**CHRIS ATKINS**

Master Builders Association

Chris has been employed with the Master Builders' Association of Tasmania inc., since 1989 and is the Association's Executive Director. Prior to being promoted to this position in 2000, Chris was the Association's Southern Regional Manager.

Chris holds an Associate Diploma in Business (Accounting) and is currently undertaking post graduate studies in Construction Law at the University of Melbourne.

Chris also represents the MBA and the industry on numerous other boards which include the Government's Procurement Advisory Group, Building Apprenticeship Scheme, Tasmanian Building and Construction Industry Training Board and is a past Member of the National Institute of Accountants.

**KEVIN HARKINS**

CEPU - Electrical Trades
Division

Kevin Harkins is the State Secretary of the CEPU - Electrical Division (ETU). Kevin is an "A" grade electrician with over 15 years experience in all fields of electrical work. Kevin has had many years of experience working with apprentices as a Field Officer and Director of a large Group Training Company.

Kevin became an Organiser with the ETU in 1995 in Victoria and transferred to Tasmania in January 2001 to rebuild the Union in Tasmania as State Secretary.

**TONY BENSON**

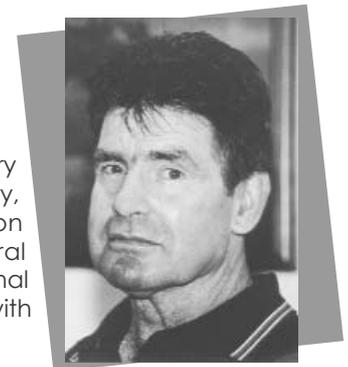
Construction, Forestry &
Mining Union

Tony Benson is the Secretary of the Construction, Forestry, Mining and Energy Union (Construction & General Division) Tasmanian Divisional Branch. Tony is married with two sons.

After leaving school Tony completed an apprenticeship in Painting and Decorating with the Department of Housing and Construction (Housing Department). Some 21 years later Tony worked in the private sector as a painting foreman.

In 1992 Tony started work with the Operative Painters and Decorators Union and was elected Secretary in March of 1992. After amalgamation with the building unions took place in 1993 and some restructuring occurred, Tony was elected as Secretary of the combined building union, the CFMEU, in 2000.

Tony is a Director of the Building Group Apprenticeship Scheme (BGAS) and is a Director and Treasurer of the Tasmanian Building Construction Industry Training Board (TBCITB) as well as the Union's representative on several Government Board's. Tony is a dedicated Tasmanian and workers representative.



Annual Snapshot

Payment of Entitlements

In the year of review the Trustee paid a record amount of entitlements of \$1.4 million to 279

workers. Since the establishment of the Construction Industry Long Service Scheme in 1971 more than

2000-2001 saw a record year for the payment of entitlements

\$11.02 million has been paid out in long service claims to 2,643 workers.

Coinciding with the privatisation of the scheme Tasmania became a party to the Reciprocal Arrangements Agreement. This means workers can continue to accrue long service leave whilst working in any state of Australia, (except Northern Territory). This is a huge bonus to the worker who may opt to gain work experience in some other state of Australia during their career in the construction industry. The portability of the scheme directly benefits workers and represents the nationalisation of entitlements to workers within the construction industry. Since entering into the agreement TasBuild Limited has paid 26 claims to workers with interstate service.

Operations

Worker contributions were received from 646 registered employers and at 30 June 2001 there were 6,367 active workers.

The Trustee has successfully taken legal action in respect of some employers that have not complied with the current legislation. In all cases the employers had failed to register themselves or their workers, had failed to provide information requested or had failed to pay contributions for long service. Significant cost orders were obtained against the employers. TasBuild will continue to take action against employers who fail to comply with their obligations to ensure a level playing field and that workers in the construction industry receive their full long service entitlements.

As part of the Trustee's compliance program the Trustee is taking a sector approach to checking that all employers in that sector are registered with the Trustee.

Goods & Services Tax

The Trustee expected that contributions payable to TasBuild Limited would be exempt from GST on the basis that it was a statutory payment and as such would have been listed as being exempt by the

Taxation Office. As this did not happen the Trustee had to establish administrative procedures for the collection and payment of GST to the Australian Taxation Office. It is interesting to note that as the employer can claim an input tax credit for contributions payable to the Trustee the net effect of GST on contributions payable to TasBuild Limited is zero. However, the administrative impact is significant both to the contributor and the Trustee.

Investments

2000-2001 saw a marked decline in the return on funds placed with Fund Managers. The movement in the equity market resulted in the Trustee receiving 5.32% on funds under management. This compares favourably against benchmark and together with funds managed internally with the Trustee 6.5%, the overall return on investment was 6.38%.

TasBuild's long term investment strategy will continue to support construction industry projects that without assistance from the Trustee would not get off the ground. The Glenorchy Cinema Development was completed and the Hobart Silos is still under construction.

The role of the Trustee in providing financial assistance to construction industry projects is not to be the principal financier but to provide gap finance between what the commercial market will provide and the total project cost. The Trustee currently has \$2.0 million dollars unallocated to construction projects.

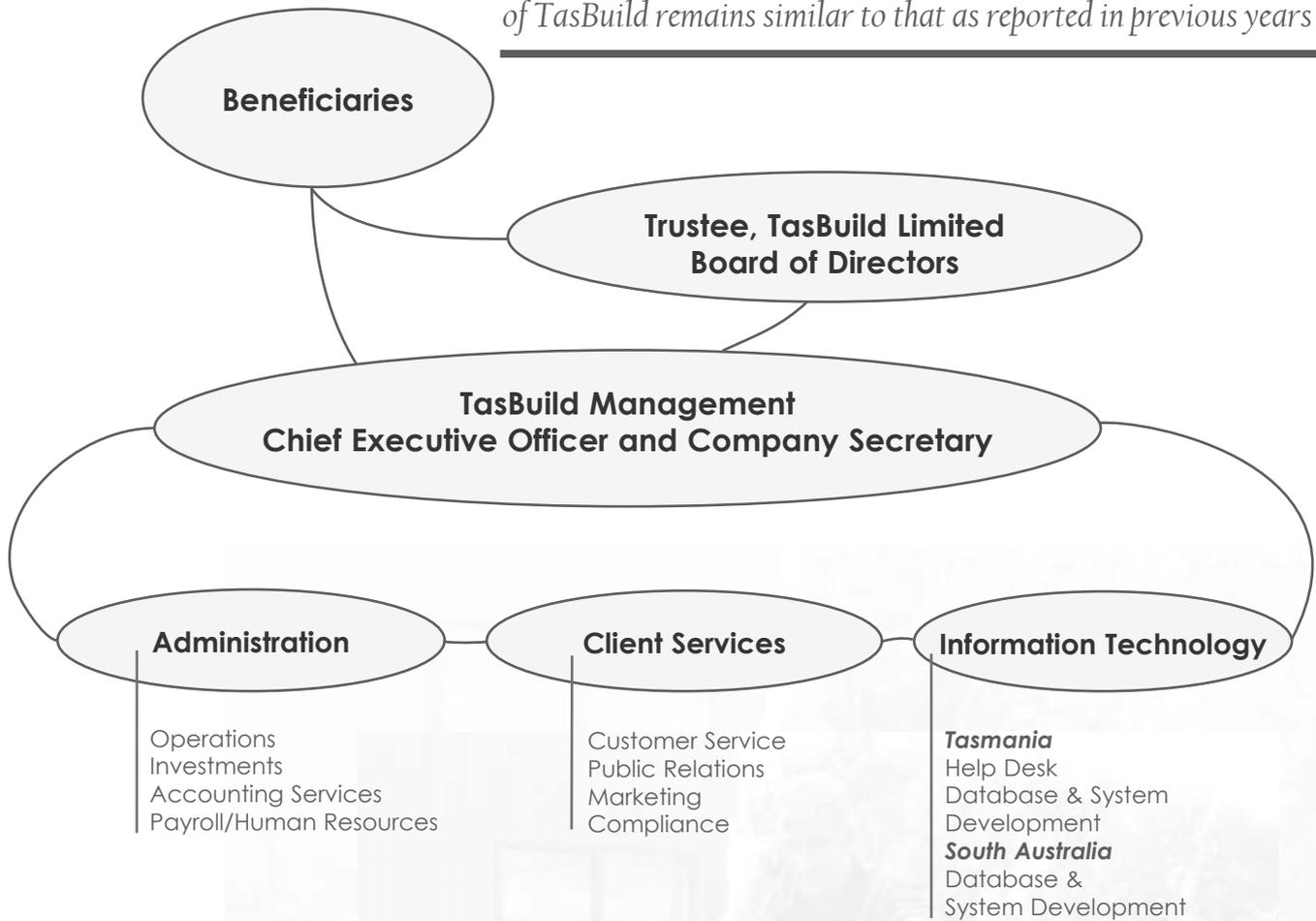
The remaining assets will be managed so as to ensure the Trustee is able to meet its liability to beneficiaries at the lowest contribution rate and considering the benefits to workers.



Gavin Spinks, Client Services Manager onsite with workers at Hobart Silos

In the Office

Apart from the appointment of a Manager, Client Services the structure of TasBuild remains similar to that as reported in previous years



Gavin Spinks, Client Services Manager out and about

Financials

Purpose and Scope of Financial Statements

TasBuild Limited is a public trustee company limited by guarantee and incorporated under the Corporations Law. Its function is to administer the trust fund established to provide long service benefits to people working in the construction industry.

The Financial Statements and Independent Audit Report have been prepared:

- ▼ To satisfy the provisions of the Corporations Law
- ▼ In accordance with the accounting standards laid down by the professional accounting bodies;
and
- ▼ To communicate information on the Trustee's financial performance for the year and its financial position as at 30 June 2001 to the contributors, beneficiaries and potential beneficiaries of the fund.

Independent Audit Report

2000-2001

To the Directors of TasBuild Limited

Scope

We have audited the financial statements of TasBuild Ltd and the Construction Industry (Long Service) Fund for the period ended 30 June 2001. Separate unqualified audit opinions have been issued on these two entities in accordance with the governing rules and legislation. The company's directors are responsible for the preparation and presentation of these financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Trustee.

This audit report is a special purpose audit report as required by clause 10.3 of TasBuild Ltd's Trust Deed dated 19 June 1998, in accordance with TasBuild Ltd's:

- (a) Articles of Association, recital 25; and
- (b) Memorandum of Association, clause 5.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial statements of TasBuild Ltd and the Construction Industry (Long Service) Fund for the period ended 30 June 2001 are properly drawn up:

- (a) so as to give a fair and reasonable view of:
 - (i) the remuneration appropriated out of the Fund by the Trustee;
 - (ii) the remuneration paid by the Trustee to each member of the Board; and
 - (iii) the expenses reimbursed by the Trustee to each member of the Board; and
- (b) in accordance with TasBuild Ltd's:
 - (i) Trust Deed, clause 10.3
 - (ii) Articles of Association, recital 25; and
 - (iii) Memorandum of Association, clause 5.



D J MCCARTHY
Partner

WISE LORD & FERGUSON
Chartered Accountants
160 Collins Street
Hobart Tas 7000

30 August, 2001

Independent Audit Report

2000-2001

To the Members of TasBuild Limited

Scope

We have audited the financial statements of TasBuild Ltd for the period ended 30 June 2001. The company's directors are responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and statutory requirements so as to present a view of the company which is consistent with our understanding of its financial position, and the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial statements of TasBuild Ltd are properly drawn up:

- (a) so as to give a true and fair view of:
 - (i) the company's state of affairs as at 30 June 2001 and of its result for the year ended on that date and;
 - (ii) the other matters required by Divisions 4, 4A and 413 of Part 3.6 of the Corporations Act 2001 to be dealt with in the financial statements;
- (b) in accordance with the provisions of the Corporations Law; and
- (c) in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.



D J MCCARTHY
Partner
WISE LORD & FERGUSON
Chartered Accountants
160 Collins Street
Hobart Tas 7000

30 August, 2001

Independent Audit Report

2000-2001

To the Trustee and Members of the Construction Industry (Long Service) Fund

Audit Scope

We have audited the financial statements of the Construction Industry (Long Service) Fund (the "fund") for the twelve months ended 30 June 2001, comprising a statement of position, statement of performance, statement of cash flows and notes to the financial statements. The fund's trustee is responsible for the preparation and presentation of these financial statements and the information they contain. We have conducted an independent audit of the financial statements in order to express an opinion on them to the trustee of the fund.

Our audit has been conducted in accordance with Australian Auditing Standards issued by the Australian Accounting Research Foundation to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards issued by the Australian Accounting Research Foundation and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views issued by the Australian Accounting Research Foundation), so as to present a view which is consistent with our understanding of the fund's financial position, the results of its operations and its cash flows.

The audit opinion expressed on the financial statements has been formed on the above basis.

Audit Opinion

In our opinion, the financial statements present fairly the financial position of the Construction Industry (Long Service) Fund as at 30 June 2001 and the results of its operations and its cash flows for the period ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements.



D J MCCARTHY
Partner
WISE LORD & FERGUSON
Chartered Accountants
160 Collins Street
Hobart Tas 7000

30 August, 2001

Statement by Trustees

2000-2001

To the Directors of TasBuild Limited

In the opinion of the Directors of TasBuild Ltd, trustee for the Construction Industry (Long Service) Fund:

1. The accompanying Statement of Financial Position, Statement of Performance, Statement of Cash Flows and the Notes to the Financial Statements present fairly the financial transactions for the twelve months to 30 June 2001 and the financial position of the Fund as at 30 June 2001.
2. The financial statements referred to above have been prepared in accordance with Australian Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and the Corporations Law.
3. At the date of this statement there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the directors of the trustee.

For and on behalf of TasBuild Limited



D. H. HODGMAN
DIRECTOR & CHAIRMAN



M. R. SHEPPERD
DIRECTOR

Hobart, Tasmania

30 August, 2001

Statement of Financial Performance

For the Year Ended 30 June 2001

	Notes	2001 \$'000	2000 \$'000
REVENUE			
Contributions Accrued Liability	2	430	934
Monthly/Quarterly Contributions	2	801	734
Income From Investments	8	2,207	2,846
Miscellaneous Income		49	45
Adjustment Liability to Beneficiaries			76
Profit on Sale of Assets		7	5
TOTAL REVENUE		3,494	4,640
LESS OPERATING EXPENSES			
Long Service			
Long Service Benefits		1,407	1,121
Investments			
Investment Expenses	8	21	36
Administration			
Salaries and Associated Expenses	9	329	280
General Administration Expenses	11	223	200
Field Services		47	107
Other Expenses			
Doubtful Debts	3	(75)	(13)
Depreciation	10	31	33
Provision for Loss on Building Projects	12	140	118
Adjustment Liability to Beneficiaries	6	258	Nil
TOTAL OPERATING EXPENSES		2,381	1,882
CHANGE IN EQUITY FROM OPERATIONS (DEFICIT)		1,113	2,758
RETAINED EARNINGS BEGINNING OF THE PERIOD		19,991	17,233
RETAINED EARNINGS AT THE END OF THE PERIOD		21,104	19,991

This Statement of Financial Performance should be read in conjunction with the notes to and forming part of the financial statements.

Statement of Financial Position

For the Year Ended 30 June 2001

	Notes	2001 \$'000	2000 \$'000
CURRENT ASSETS			
Cash		98	7
Accounts Receivable	2	1,275	1,612
Investments	5	16,600	14,963
Other Accrued Income	3	336	211
Prepaid Expenses		2	Nil
TOTAL CURRENT ASSETS		18,311	16,793
NON/CURRENT ASSETS			
Investments	5	20,730	20,751
Fixed Assets	4	117	114
TOTAL NON/CURRENT ASSETS		20,847	20,865
TOTAL ASSETS		39,158	37,658
CURRENT LIABILITIES			
Accrued Long Service Leave Benefits Liability	6	1,375	4,206
Creditors		4	9
Accrued Charges		92	125
Provision for Staff Annual Leave		20	11
Provision for Staff Long Service Leave		8	4
GST Payable		14	Nil
TOTAL CURRENT LIABILITIES		1,513	4,355
NON/CURRENT LIABILITIES			
Accrued Long Service Leave Benefits Liability	6	16,283	13,194
Provision for Contingencies	12	258	118
TOTAL NON/CURRENT LIABILITIES		16,541	13,312
TOTAL LIABILITIES		18,054	17,667
NET ASSETS		21,104	19,991
EQUITY			
Retained Earnings		21,104	19,991
TOTAL EQUITY		21,104	19,991

This Statement of Financial Position should be read in conjunction with the notes to and forming part of the financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2001

	Notes	2001 \$'000	2000 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Contributors		1,715	2,000
Miscellaneous Income		49	45
Payments for Operating Costs and Long Service Leave Benefits		(2,093)	(1,607)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	13	(329)	438
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Investment Income Received		983	983
Payments for Plant and Equipment		(25)	(40)
Payments for Investments		(517)	(1,409)
Investment Expenses Paid		(21)	(36)
NET CASH INFLOW FROM INVESTMENT ACTIVITIES		420	(502)
NET INCREASE/ (DECREASE) IN CASH HELD		91	(64)
Cash at the Beginning of the Period		7	71
Cash at the End of the Period		98	7

For the purposes of this Statement of Cash Flows, Cash includes cash on hand. Cash at the end of the period as shown in this Statement of Cash Flows is disclosed as Cash in the accompanying Statement of Financial Position. Cash Flows have been calculated after the transfer of assets and liabilities from the Long Service Leave (Construction Industry) Fund.

This Statement of Cash Flows should be read in conjunction with the notes to and forming part of the financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report which has been prepared in accordance with the Corporation's Law which includes applicable accounting standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

(a) Basis of Accounting

The financial statements have been prepared under conventional historical cost principles, except for investment securities which are at net market value.

All amounts in the financial statements have been rounded to the nearest thousand dollars.

(b) Contribution Income

Employers contribute to the fund at the agreed rate.

(c) Investments

Investments are stated at the net market value at period end provided by each Fund Manager and confirmed by the Fund's investment advisors. The gains or losses, whether realised or unrealised, are included in the operating result for the period in accordance with AAS 10 "Revaluation of Non/Current Assets".

The Trustee regards investments due to mature, expire, or are available to be traded within the next twelve months as current and accordingly have been disclosed as current assets. Investments held with Fund Managers although available for trading have been placed for long term investment and are therefore disclosed as non-current assets.

(d) Investment Income

Investment Income is accounted for on an accrual basis.

(e) Accrued Long Service Benefits

Liability

The liability for accrued long service benefits is determined as the present value of all expected future payments that arise from the service of eligible workers up to the balance date.

The stated amount has been calculated by the Fund's actuary using an actuarial valuation method, which takes into account assumptions of the rates of departure from the industry, mortality rates, increases in wages and rates of return on investments. The liability has been recorded both as a current liability (that amount due within twelve months) and as a non-current liability.

(f) Depreciation

Depreciation is calculated on a straight line method designed to write off the assets over their estimated useful lives except where otherwise stated in the accounts.

Rates of depreciation used for each class of assets are as follows:

Furniture, Fittings and Equipment	12-17%
Motor Vehicles	20%
Computer Equipment	27%

(g) Provision for Doubtful Debts

The collectibility of debts is assessed at the end of each financial period and a specific provision is made.

(h) Provisions for Employee Entitlements

Provision is made for the Trustee's liability for employee entitlements arising from services rendered by employees up to the balance date. Employee entitlements expected to be settled within 1 year together with entitlements, apart from long service leave, which will be settled after one year, have been measured at their nominal amount.

Long Service Leave entitlements payable later than 1 year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

(i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Control of a right to receive consideration for the provision of, or investments in, assets has been attained.

(j) Tax

The Fund is exempt from income tax.

(k) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated inclusive of GST.

The amount of GST recoverable has been netted off against GST Payable and recorded as a current liability in the Statement of Financial Position.

(l) Recoverable Amount

Non-current assets are not carried at an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are written down.

Notes to the Financial Statements

For the Year Ended 30 June 2001

2. CONTRIBUTIONS

Contributions Payable including GST

With the enactment of the *Construction Industry (Long Service) Act 1997* employers that had elected to contribute to the former fund under the Termination Scheme had an accrued liability to the Trustee for unpaid contributions. In accordance with the Rules payment of this liability may be postponed until the employee leaves the employer or becomes eligible for the payment of an entitlement. Contributions payable includes any accrued liability prior to registration together with monthly or quarterly contributions by registered employers. In respect of contributions payable from 1 July 2000 amounts invoiced include GST.

	2001 \$'000	2000 \$'000
Accounts Receivable 30 June 2000	1,612	1,929
Contributions payable including GST	1,307	934
Less Payments Made	1,443	976
Accounts Receivable before provision for Doubtful Debts	1,476	1,887
Less Provision for Doubtful Debts	201	275
Accounts Receivable 30 June 2001	1,275	1,612

3. DEBTORS and ACCRUED INCOME

Accounts Receivable (Sundry Debtors)	1,275	1,612
Accrued Income		
Accrued Investment Income	231	152
Contributions accrued	<u>105</u>	<u>59</u>
Total Accrued Income	336	211

The debtors amount due and unpaid at 30 June includes a Provision for Doubtful Debts as follows:

(i) Accounts Receivable	1,476	1,887
Less Provision for Doubtful Debts	<u>201</u>	<u>275</u>
Accounts Receivable	1,275	1,612
(ii) Provision for Doubtful Debts		
Opening Balance	275	340
Less Bad Debts written off against provision	<u>Nil</u>	<u>52</u>
	275	288
Increase/(Decrease) in Provision for Doubtful Debts	<u>(74)</u>	<u>(13)</u>
Closing Balance	201	275

	2001 \$'000	2000 \$'000
4. ASSETS		
Office Equipment at cost	20	18
Less Accumulated Depreciation	<u>9</u>	<u>6</u>
	11	12
Motor Vehicles at cost	51	47
Less Accumulated Depreciation	<u>10</u>	<u>15</u>
	41	32
Computer Software Development at cost	34	30
Less Accumulated Depreciation	<u>20</u>	<u>11</u>
	14	19
Computer Equipment at cost	85	69
Less Accumulated Depreciation	<u>36</u>	<u>20</u>
	49	49
Furniture and Fixtures	4	4
Less Accumulated Depreciation	<u>2</u>	<u>2</u>
	2	2
Total Fixed Assets	117	114
Reconciliation		
<i>Office Equipment</i>		
Carrying amount at beginning	12	14
Additions	1	Nil
Depreciation expense	(2)	(2)
Carrying amount at end	11	12
<i>Motor Vehicles</i>		
Carrying amount at beginning	32	22
Additions	23	28
Disposals	(14)	(17)
Depreciation Expense	(7)	(7)
Gain on sale of motor vehicle	7	6
Carrying amount at end	41	32
<i>Computer Software Development</i>		
Carrying amount at beginning	19	22
Additions	1	3
Amortisation	(6)	(6)
Carrying amount at end	14	19
<i>Computer Equipment</i>		
Carrying amount at beginning	49	46
Additions	16	18
Depreciation expense	(16)	(15)
Carrying amount at end	49	49

Notes to the Financial Statements

For the Year Ended 30 June 2001

	2001 \$'000	2000 \$'000
<i>Furniture and Fittings</i>		
Carrying amount at beginning	2	Nil
Additions	Nil	5
Depreciation Expense	Nil	(3)
Carrying amount at end	2	2

5. INVESTMENTS

<i>Current Investments</i>		
Funds Directly Managed by the Trustee		
Domestic Liquid Investments	Nil	6,130
Direct Property	<u>10,150</u>	<u>8,833</u>
Total Current Investments	10,150	14,963
Funds Managed by Funds Managers		
Domestic Liquid Investments	3,563	7,892
Property and Property Trusts	1,415	1,558
Domestic Equities	9,394	5,452
Overseas Investments	6,066	2,889
Funds Directly Managed by the Trustee		
Venture Capital Fund	292	190
Direct Property	6,450	2,770
<i>Non-current Investments</i>	<u>27,180</u>	<u>20,751</u>
TOTAL INVESTMENTS	37,330	35,714

6. ACCRUED LONG SERVICE LEAVE BENEFITS LIABILITY

Current	1,375	4,206
Non/Current	<u>16,283</u>	<u>13,194</u>
Total	17,658	17,400

An increase in the total number of service days has resulted in an increase in the liability to beneficiaries of \$258,000 when compared with the assessment at 30 June 2000.

Actuarial Statement

I have carried out an investigation of the fund as at 30 June 2001 and have calculated the actuarial liability for accrued long service leave benefits to be \$17,658,000.

Brian Bendzulla B.Sc. UED FIAA
Bendzulla Tasmania Pty Ltd
19th July 2001

7. ADDITIONAL FINANCIAL INSTRUMENT DISCLOSURES

The investments of the Fund (cash, fixed interest securities and real estate), are managed by the trustee and on behalf of the trustee by ING, Credit Suisse, BNP and Zurich Investment Management Limited. Each Investment Manager is required to invest the assets managed by it in accordance with the terms of a written investment mandate.

The trustee has determined that appointment of these managers is appropriate for the Fund and is in accordance with the Fund's investment strategy.

The trustee obtains monthly reports from each Investment Manager on the nature of the investments made. Annual reports include Risk Management Statements.

Use of derivative financial instruments

The Fund's Investment Managers may use derivative financial instruments to reduce risks in the share, bond and currency markets and to increase or decrease the Fund's exposure to particular investment classes or markets. Derivative financial instruments are included in the relevant asset category in Note 5.

At 30 June, 2001 the Fund held no derivatives.

Credit Risk

The net market value of financial assets, with the exception of the derivatives position, included in the Balance Sheet, represent the Fund's exposure to credit risk in relation to those assets.

The Fund does not have any significant exposure to any individual counter party or industry. Its assets are invested by individual Investment Managers.

Interest Rate Risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investment on behalf of its members. The Fund's investments are subject to interest rate risks and the return on the investment will fluctuate in accordance with movements in the market interest rates.

The Fund's exposure to interest rate movement on those investments as at 30 June 2001 was as follows:

	Fix Interest - Time to Maturity				Total	
	3-12 Months		Non-Int Bearing		(per Bal Sheet)	
	\$'000		\$'000		\$'000	
	2001	2000	2001	2000	2001	2000
Financial Assets						
Cash			Nil	7	Nil	7
Equity Investments			27,180	20,751	27,180	20,751
Short term investments	10,150	14,963			10,150	14,963
Receivables			1,275	1,612	1,275	1,612
TOTAL	10,150	14,963	28,455	22,370	38,605	37,333

Weighted average interest rate (%) 6.38

Net Fair Values of Financial Assets and Liabilities

The Fund's financial assets, liabilities and derivative instruments are included in the Statement of Financial Position at amounts that approximate net fair value.

Notes to the Financial Statements

For the Year Ended 30 June 2001

	2001 \$'000	2000 \$'000
8. NET INCOME FROM INVESTMENTS		
(a) Domestic Market		
Fixed Interest, Liquid and Property Investments		
Realised Income	1,099	1,013
(b) Funds Held by Funds Managers		
Unrealised Gain (loss)	1,108	1,833
Total Income from Investments	2,207	2,846
Investment Expenses		
Fees paid to Financial Advisers	15	19
Other Expenses	<u>6</u>	<u>17</u>
Total Investment Expenses	21	36
Net Income from Investments	2,186	2,810

Fees paid to Fund Managers have been offset against the unrealised gain on investments totalling \$1,108,000

9. SALARIES AND ASSOCIATED EXPENSES

Salaries including On costs (Superannuation, Payroll Tax, Workers' Compensation and Other Expenses)

Total	329	280
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10. DEPRECIATION

Office Equipment	2	2
Motor Vehicles	7	7
Computer Equipment	16	15
Computer Software Development	6	6
Furniture and Fixtures	<u>Nil</u>	<u>3</u>
Total	31	33

11. GENERAL ADMINISTRATION EXPENSES

Postage and Telephone	21	20
Printing and Stationery	22	15
Travelling Expenses	5	7
General Expenses	91	98
Consultancies	13	Nil
E D P Expenses (excluding depreciation)	11	16
Board Members Allowances	23	13
Audit Fees	6	7
Vehicle Expenses (excluding depreciation)	7	5
Legal Expenses	7	3
Actuarial Services	7	8
Advertising and Promotion	<u>10</u>	<u>8</u>
Total	223	200

12. PROVISION AGAINST LOSS ON CONSTRUCTION PROJECTS

The Trustee's investment strategy includes an allocation of \$9 million to construction projects. Project evaluation focuses on employment opportunities for the beneficiaries and potential beneficiaries of the fund. In all cases the financial support provided by the Trustee has enabled the developer to raise the balance of funding required in the commercial market. All projects are secured by mortgage with a defined exit strategy for the return of capital within a short time frame after completion of the project. However, during the development phase the Trustee has a small risk exposure and a provision has been made to cover any loss that may arise. The provision of \$258,000 represents 4% of the investment in construction projects at 30 June 2001.

13. RECONCILIATION OF OPERATING SURPLUS (DEFICIT) TO NET CASH INFLOWS (OUTFLOWS) FROM OPERATING ACTIVITIES

Operating Surplus (Deficit)	1,113	2,758
Add/(Deduct) items classified as Investing Activities		
(Profit)/Loss on Sale of Plant and Equipment	(7)	(5)
Unrealised (Gains)/Losses on Investments	(1,099)	(1,833)
Investment Income	(1,108)	(1,013)
Investment Expenses	21	36
Add/(Deduct) Non cash Items		
Depreciation/Plant and Equipment	31	33
Increase/(Decrease) in Provision for Doubtful Debts	(75)	(13)
Net Cash Used in Operating Activities Before Change in Assets and Liabilities	(1,124)	(37)
Increase/(Decrease) in Creditors and Other Liabilities	(23)	93
Increase/(Decrease) in Provisions	410	(3)
(Increase)/Decrease in Receivables	408	385
Net Cash Outflow From Operating Activities	(329)	438

Cash Flows have been calculated after the transfer of Assets and liabilities from the Long Service (Construction Industry) Fund.

14. Remuneration of Directors

Income paid or payable, or otherwise made available, in respect of the financial year, to all directors of the entity, directly or indirectly, by the entity of which they are directors.

2001	2000
\$15,600	\$12,900

The number of directors of TasBuild Limited whose income (including superannuation contributions) fall within the following bands.

	2001	2000
\$0 - \$9,999	6	7
\$10,000 - \$19,999	1	Nil

For all Directors of TasBuild, excluding the Chairman, Directors' fees are paid directly to the body who nominates the Director.

Notes to the Financial Statements

For the Year Ended 30 June 2001

15. Remuneration of Executives

Remuneration received or due and receivable by executive officers of the company whose remuneration is \$100,000 or more in connection with the management of the affairs of the company, whether as an executive officer or otherwise fall within the following band.

	2001	2000
\$100,000 - \$109,000	1	1

16. Auditors Remuneration

Amounts received or due and receivable by Wise Lord and Ferguson for an audit and review of the financial report of TasBuild Limited

	2001	2000
	\$6,000	\$6,900

17. Related Party Disclosures

Directors

The Directors who held office during the reporting period were:

David Louez	Resigned 9 May 2001
Des Hodgman	Appointed 9 May 2001
Tim Abey	Resigned 10 August 2000
Terry Edwards	Appointed 10 August 2000
Alex Bukarica	Resigned 12 April 2001
Tony Benson	Appointed 12 April 2001
Chris Atkins	Appointed 13 July 2000
Michael Shepperd	Appointed 21 April 1998
Lynne Fitzgerald	Resigned 8 March 2001
Kevin Harkins	Appointed 8 March 2001
Greg Cooper	Appointed 13 July 2000

Interstate Contacts

Australian Capital Territory

Building & Construction Industry Long Service Leave Board
71 Constitution Avenue
Campbell ACT 2601
Telephone: (02) 6247 3900
Facsimile: (02) 6257 5058
Email: lslbact@actlslb.act.gov.au
www.actlslb.act.gov.au

New South Wales

Building & Construction Industry Long Service Payments Corporation
Level 4, 1 Oxford Street
Darlinghurst NSW 2010
Telephone: 1800 426 684
Facsimile: (02) 9246 4444
www.lspc.nsw.gov.au

Queensland

QLeave
Level 4, Lutwyche Shopping Centre
543 Lutwyche Road
Lutwyche QLD 4030
Telephone: (07) 3212 6811
Facsimile: (07) 3212 6844
Email: member.services@qleave.qld.gov.au
www.qleave.qld.gov.au

South Australia

Construction Benefit Services
1st Floor, 81 Greenhill Road
Wayville SA 5034
Telephone: (08) 8271 1222
Facsimile: (08) 8373 2740
www.cbserve.com.au

Western Australia

Construction Industry Long Service Leave Payments Board
1st Floor, 26 Collins Street
West Perth WA 6005
Telephone: (08) 9476 5400
Facsimile: (08) 9321 5404
Email: lslbrd@highway1.com.au
www.lslboard.com.au

Victoria

CoInvest Limited
478 Albert Street
East Melbourne VIC 3002
Telephone: (03) 9664 7666
Facsimile: (03) 9663 7390
www.coinvest.com.au



SILOS

Level 2 UNIT 9 940 H

TasBuild Limited

Trustee for the Construction Industry Long Service Scheme

ABN 78 082 066 939

Level 1

115 Central Avenue

Derwent Park Tasmania 7009

Telephone: (03) 6233 7670

Facsimile: (03) 6233 7224

Email: secretary@tasbuild.com.au

Website: www.tasbuild.com.au
