



Annual Report

2020-21

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Chairman's Report

I have much pleasure in presenting the Chairman's Report for TasBuild Ltd for the year ending 30 June 2021.

When I reported to the Annual Meeting in 2020 Tasmania was emerging from lockdown and the Australian Economy was in recession.

However, the financial year just completed has seen continued growth in the building and construction industry and strong growth in the Australian economy. While the Construction and Building industry continues to face challenges of skilled labour shortages and material supply shortages there appears to be a strong outlook for the industry in the future.

Our investments have rebounded strongly and we continue to use the services of Mercer as our Investment Consultants. As the fund has moved to a more mature phase with strong coverage of the liability the Board has looked for diversification of our investments while seeking opportunities to invest in support of the Construction industry in Tasmania.

The recent completion of the sale of the Claremont Primary School site will lead to a significant housing project. Our lead in setting up and investing in the Tasmanian Construction Fund has established a vehicle to provide finance to developers undertaking construction projects in Tasmania. In the future we expect to report on the significant benefits the Tasmanian Construction Fund has delivered.

In the year ending June 2020 we completed a significant upgrade to a new Customer Relationship Platform. This work has been continued during this year and we are now turning our attention to increased Cyber Security. An in depth audit of our processes has been undertaken to develop a Cyber Security Plan.

The Board commissioned a comprehensive review of Board performance by an outside consultant during the year. It is important that we continue to have external monitoring of our activities and performance as a Board and this has resulted in some minor operational changes to the Board agenda and Board focus.

As we look forward to the future I believe that TasBuild is well positioned to serve the Construction and Building Industry with certainty and security for workers to benefit from Portable Long Service Leave.

After nine years as your Independent Chairman I have taken the decision not to seek reappointment when my current term expires at the end of April 2022.

The Board and all stakeholders are well supported by our CEO Michael Irwin and his excellent team of employees. TasBuild is well served by a strong Board that utilises their industry knowledge and experience to deliver robust governance of TasBuild and the Long Service Fund.

Rod Scurrah
Independent Chairman

Chief Executive Officer's Report

The financial year ended 30 June 2021 has again been an interesting year.

The building and construction industry is responding to strong demand whilst facing challenges with availability of skilled tradespeople, supply chain problems impacting on building materials supply and rising costs that often have not been factored into contracts quoted sometimes 12 months in advance.

The team at TasBuild has remained stable and has continued to focus on service delivery improvements. With the lengthy lockdowns being experienced interstate, TasBuild has continued to focus on management of our computer infrastructure to ensure that despite whatever happens in Tasmania we can continue to service employers and workers in the building and construction industry. Due to the impacts on mail delivery during lockdown, the focus has moved to ensuring online communication and transaction activity can continue to occur and in a more timely and efficient manner.

The investment of contributions paid by employers underpins the ability of TasBuild to meet the benefits paid out to workers and also maintenance of the contribution at the existing levels.

The Board has continued to work closely with the investment consultants, Mercer, to take advantage of the investment market performance over the last 12 months whilst also structuring the portfolio to withstand market downturns. The evidence is clear that despite the market volatility experienced at the height of the pandemic, the portfolio rebounded strongly and achieved a net of fees return for the financial year ended 30 June 2021 of 18%.

Whilst we appreciate the current strength of the Tasmanian and Australian economies, we are still fully aware that continued border closures both internationally and nationally may have significant impacts. We have considered this and have made preparations to refocus our operations to take account of all circumstances over the coming year.

There has also been a heightened concern about Syber Security due to a number of businesses in Tasmania being targeted by cyber criminals. Work is ongoing to educate staff about cyber security and to fully review TasBuild's Cyber Security defences to minimise the opportunities for cyber criminals to penetrate our information technology infrastructure.

Corporate Governance

The Board Members and their meeting attendance for 2020 – 2021 is detailed below:

TITLE	NOMINATING ORGANISATION	MEETING ATTENDANCE		
Chairman		Board Meeting	Investment Committee	
	Rod Scurrah	TasBuild Board	8 of 8	6 of 6
Directors				
John Short	AMWU	8 of 8		
Lyndon Fenton	MBT	6 of 8		
Kevin Harkins	CFMEU	7 of 8	6 of 6	
Michael Anderson	Unions Tasmania	8 of 8		
Michael Shepperd	BISCO	8 of 8		
Michael Bailey	TCCI	8 of 8	6 of 6	

The Independent Chairman's position expires in April 2022 along with Messrs Fenton, Harkins and Shepperd.

The Board met on eight occasions in the year and participated in five continuous development sessions, which complies with the Board's Policy.

The Investment Committee consists of the Independent Chairman, the CEO, two Board Members and an Independent Member. The Committee met on six occasions, charged with the responsibility of monitoring investments and reviewing performance, documents and policies to ensure we keep abreast of best practice.

Board Members are appointed for four-year terms, with half the positions becoming vacant every two years. Investment Committee and Board member representatives are elected for one-year terms. The Independent Chairman and the CEO are ongoing representatives while the Independent Committee Member is appointed every two years.

Operational Overview

The following are the key statistical changes over the last 12 months:

Contributing Employers ↑ **6.4%**

Current Workers ↑ **3.8%**

Entitlements Paid ↑ **13.5%**

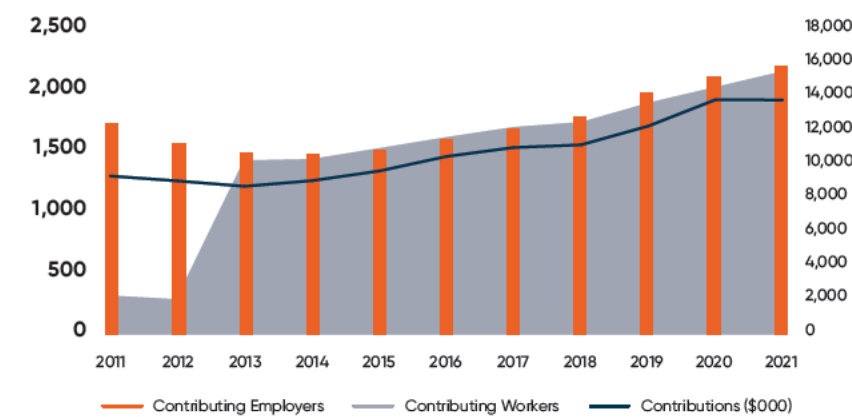
Contributions —

Investments ↑ **27.1%**

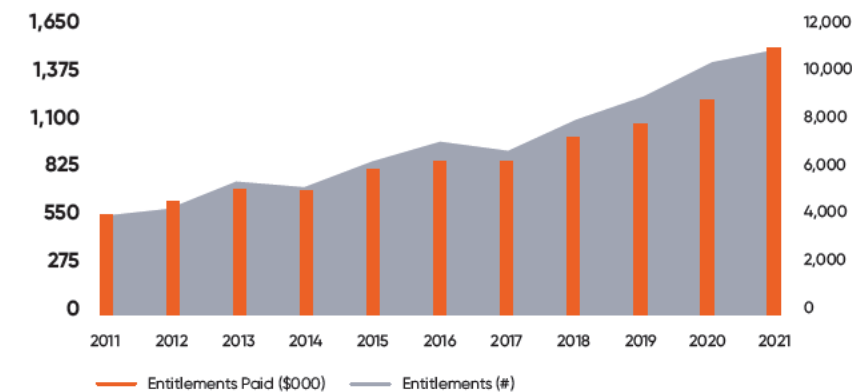
As mentioned earlier, the building and construction industry is certainly responding to high demand and this is reflected by the year-on-year growth of employers and workers, but of interest is the fact the majority of the growth has occurred in the last six months of the year. It is also worth noting that contributions attributable to potentially non-compliant businesses have increased by 43.7%. These two factors combined explain why there has not been a comparative increase in the contributions for the year.

The trends to date over key areas are detailed below.

Contributing employers and current workers



Entitlements paid



It is very pleasing to see the level of entitlement payments being made with employed workers receiving \$10.7 million and self-employed workers receiving \$493,344. For workers receiving a total of \$11.2 million and with employers estimated to be directly contributing only 65% of these payments, this is a very substantial benefit for the building and construction industry from both an employer's and worker's perspective.

A review of the database identified that a number of workers either were entitled to a benefit and had not made a claim, or had taken a partial payment and still had a residual amount to be paid. A project was commenced to contact these workers and this resulted in an additional 170 entitlement payments being made, totalling nearly \$600,000 for the year to 30 June 2021.

The maturity of the fund has reached a point where the length of service of the workers results in increased eligibility for entitlement payments and the gap between the contributions received and the entitlements paid is continuing to reduce and leaving a smaller surplus for investment.

The last 12 months have seen non-compliant employer invoices for the last 12 months increase by 43.7% which indicates there is still a lot of work to be done to engage with non-compliant businesses and where possible encourage them to voluntarily register, lodge returns and pay contributions. However, there is still a need to increase our capability to detect non-compliant businesses and an additional field officer will be employed to address this problem.

TasBuild is a service business and as such, we have an obligation to provide the best service possible to our registered businesses and workers, but in a cost-effective manner to ensure the administrative responsibilities do not unnecessarily erode the levies that should be invested to support the entitlement payments. The cost-effective aspect of the service is primarily driven by technology and in the current environment where cyber incidents have escalated, the cost of, protection and maintenance of technology has increased. For the year to 30 June 2021 the overhead costs actually decreased 7.8% compared to the 2020 annual costs, which is a pleasing result when faced with increased technology costs. Due to the unexpected rise in non-compliant businesses and the action required to address non-compliance, costs are expected to increase in the new financial year.

Chief Executive Officer's Report continued

Strategic Direction

During the year, the staff and the Board continued their work to achieve the outcomes required to deliver strategic initiatives.

The five Core Business Areas the Board has focused on are:

1. Administration and Governance;
2. Membership Management;
3. Investment Portfolio;
4. Industry Profile and Education; and
5. Compliance Monitoring.

During the financial year, the following activities have been undertaken to move the organisation towards the Plan's objectives:

1. Administration and Governance

- Analysis of Australian Business Register (ABR) information and compliance checking has resulted in a significant increase, 43.7%, in invoices raised for non-compliant businesses over the last 12 months.
- A monthly process has been implemented to contact all new ABR registrations registered in the building and construction sector to not only ensure they register with TasBuild but to also educate them about TasBuild's role, their legal responsibilities in relation to portable long service leave and the benefits it provides for the industry.
- It has been identified that there is somewhere between 7,000 and 10,000 operating Sole Trader businesses in the building and construction industry that have not registered with TasBuild. A Sole Trader is someone that operates a business as an individual and not a company, trust or partnership. They may or may not employ workers and this is the issue that TasBuild needs to clarify and ensure that the businesses register and understand their legal obligations. To date over 2,000 Sole Traders have been contacted.

2. Membership Management

- A more robust approach to monitoring data integrity has been implemented and where required action has been taken to either correct and improve data integrity;
- The team has been proactive in contacting employers and where necessary amending employer records for workers that have not had any service reported for 6 months resulting in more accurate employment records, more efficient processing by employers and more accurate worker employment histories. This action meant that over 2,500 were deregistered from employer returns.
- Workers' entitlement eligibility has been carefully audited and a project has been conducted to advise employed workers and self-employed workers that were either not aware of their eligibility to an entitlement or had left a residual entitlement. This has resulted in 326 entitlements being paid of nearly \$1.2 million.
- New functionality has been activated in the administration platform, wCRM, to automate reminders to employers to lodge their monthly returns and pay their invoices by the required due date. Feedback from employers has been very positive and has reduced the actions required to pursue overdue debts. This is evident as the incidences of employers failing to pay on time has declined by approximately 50% since the implementation of the reminders.

- It has also been a belief that we can more efficiently engage with members via the online portal and by email. This has been reinforced as the service by Australia Post continues to decline. This focus has resulted in approximately a 5% increase in employers lodging returns online rather than relying on lodging returns by post.

3. Investment Portfolio:

- Review of benchmarks against which investment returns are measured;
- Annual review and quarterly monitoring of investment objectives;
- Annual review of all investment governance documents;
- Annual review of the sufficiency of the contribution rate;
- Review of the format and quality of the reporting by Mercer;
- Continuing to focus on the growing importance of Environmental, Social and Governance (ESG) aspects which incorporates climate change impacts, de-carbonisation of investment portfolios, and the ability to exclude tobacco and weapons and modern slavery. This also focuses on how TasBuild can transition the current investment portfolio over time without significant impacts on the investment returns; and
- Continuing to explore and expand the opportunities for investment in the Tasmanian building and construction industry to contribute to activity and job growth over the longer term.

Chief Executive Officer's Report continued

4. Industry Profile and Education:

- TasBuild have refocused on our branding and whilst the name has not changed, the logo and style has been updated. The rollout of this new image will progress quickly and is the catalyst for a number of new actions that will be taken:
 - All communications will be reviewed to ensure they are conveying a simple to understand message;
 - All flyers and supporting educational material will be reviewed and updated to ensure workers and employers are being provided with explanatory information in a simple and easy to understand format;
 - The website will be completely overhauled to ensure that users can navigate the website to find the information or services they need quickly and easily either by computer or mobile phone; and
 - The office in Bayfield Street is having new signage installed to ensure visitors can more easily find us.
- Encouragement of workers and employers to engage through online communications or portals continues; and
- The impact of COVID-19 has highlighted the need to drive increased penetration of online portal use.

- We are also seeking opportunities to work with our industry stakeholders to engage with employers and workers to ensure they understand who TasBuild is, what we do and how we can help them to understand their rights, responsibilities and their legal obligations.

5. Compliance Monitoring:

- There is ongoing focus on compliance and the number of unregistered businesses identified through the Sole Trader project, and the increase in non-compliant businesses identified has led to the decision to employ an additional field officer, to enable TasBuild to engage with unregistered businesses in a more timely manner and provide that personal point of contact to understand why registration is important; and
- There is a continual drive to find new and useful sources of data to assist in identification of industry participants and to determine their registration status, and to ensure that our knowledge and understanding of the industry is as comprehensive. This in turn helps TasBuild to maximise the provision of long service leave benefits to those workers that are entitled to receive it.

Investments and Financial Performance

Investments

TasBuild Limited retains the services of an implemented consultant to manage the portfolio in accordance with the Board's investment objectives. Mercer was appointed in late 2011, reappointed in 2020 and over this time it has met or exceeded the Board's investment objectives and benchmarks.

In consultation with the Board, the Investment Committee annually reviews the Fund's investment objectives. Based on the investment performance, information and forecasts combined with the advice of the Actuary, it was determined that the following investment objectives were appropriate for the financial year.

The approved investment objectives are:

- Average weekly ordinary time earnings + 1.5% over rolling 5-year periods after investment fees;
- Chance of negative return, 1 in 5 years;
- To outperform the asset-weighted benchmark return, comprised of relevant market indices, by 1% p.a. (before investment management fees) over rolling 12-month periods; and
- Achieve and maintain an asset value that is not less than 110% of the financial statement value of liabilities.

The Board constantly reviews the performance of the investments held by Mercer against the stated investment objectives and industry benchmarks for each asset class.

The table below provides an overview of the investments' performance against each of the Board's objectives:

	Year to 30 June 2021	3 years	5 years
Total Fund (Gross)	19.0	10.3	10.4
Net Return (after fees)	18.0	9.5	9.5
Benchmark	14.5	7.9	7.7
<i>Excess Return over Benchmark</i>	3.5	1.8	2.3
AWE + 1.5%	4.7	4.4	4.2
<i>Excess Return over AWE + 1.5%</i>	13.3	5.1	5.3

These results confirm that all five investment objectives were met.

Chief Executive Officer's
Report continued

Mercer makes recommendations as to the appropriate Strategic Asset Allocation (SAA) to achieve the Board’s investment objectives. The table below shows the Board-approved SAA for 2020-2021 and the values of each asset class as at 30 June 2021.

MERCER MULTI-MANAGER FUND	(\$)	Actual (%)	SAA (%)	Lower Range (%)	Upper Range (%)
SHARES		47.0	42.0	22.0	62.0
Mercer Australian Shares Plus Fund	38,920,272	21.6	21.0	5.0	35.0
Mercer International Shares Fund	19,671,775	10.9	9.0	0.0	20.0
Mercer Hedged International Shares Fund	13,521,955	7.5	6.0	0.0	20.0
Mercer Global Small Companies Shares Fund	5,011,137	2.8	2.0	0.0	10.0
Mercer Emerging Markets Shares Fund	7,445,645	4.1	4.0	0.0	10.0
REAL ASSETS		28.0	28.0	0.0	55.0
Mercer Australian Direct Property Fund	19,078,432	10.6	12.0	0.0	15.0
Mercer Global Listed Property Fund	4,096,188	2.3	2.0	0.0	15.0
Mercer Global Listed Infrastructure Fund	3,812,512	2.1	2.0	0.0	10.0
Mercer Global Unlisted Infrastructure Fund	18,323,303	10.2	9.0	0.0	15.0
Internally Managed Property	4,983,771	2.8	3.0	0.0	5.0
FIXED INTEREST		22.9	26.5	0.0	70.0
Mercer Global Credit Fund	7,658,227	4.3	5.0	0.0	10.0
Mercer Emerging Markets Debt Fund	4,576,248	2.5	3.0	0.0	10.0
Mercer Australian Sovereign Bond Fund	11,938,405	6.6	9.0	0.0	25.0
Mercer Australian Inflation Plus Fund	6,143,197	3.4	5.0	0.0	10.0
Internally Managed Fixed Interest	10,850,072	6.0	4.5	0.0	7.0
CASH		2.2	3.5	0.0	20.0
Mercer Cash Fund – Term Deposit Units	2,432,131	1.4	1.0	0.0	20.0
Internally Managed Cash	1,449,931	0.8	2.5	0.0	4.0

The table below provides an overview of the investment performance against the agreed benchmarks for each asset class as at 30 June 2021:

MERCER MULTI-MANAGER FUNDS	FINANCIAL YEAR (%)				THREE YEARS (%)				FIVE YEARS (%)			
	Gross Return	Net Return	B'mark	Excess (+/-)	Gross Return	Net Return	B'mark	Excess (+/-)	Gross Return	Net Return	B'mark	Excess (+/-)
SHARES												
Australian Shares Plus	31.7	30.9	28.5	2.4	10.0	9.3	9.8	-0.5	12.5	11.7	11.3	0.4
International Shares	29.1	28.3	27.5	0.8	15.2	14.5	14.5	0.0	-	-	-	-
Hedged International Shares	37.5	36.6	35.7	0.9	14.0	13.5	13.5	0.0	15.1	14.4	14.4	0.0
Global Small Companies Shares	43.9	43.0	40.2	2.8	13.1	12.1	11.5	0.6	15.2	14.2	14.2	0.00
Emerging Markets Shares	32.7	32.0	29.2	2.8	11.7	10.9	10.7	0.2	13.9	13.0	12.8	0.2
REAL ASSETS												
Australian Direct Property	8.2	7.0	5.1	1.9	8.0	6.9	5.6	1.3	9.9	8.8	5.8	3.1
Global Listed Property	31.8	30.7	30.2	0.5	6.4	5.6	4.9	0.7	6.5	5.6	4.7	0.9
Global Listed Infrastructure	12.4	11.6	14.9	-3.3	6.8	6.0	6.9	-0.9	7.2	6.4	7.0	-0.6
Global Unlisted Infrastructure	20.3	16.4	6.1	10.3	14.3	11.5	6.4	5.1	15.2	11.7	5.9	5.8
FIXED INTEREST												
Global Credit	3.3	3.4	2.7	0.7	5.9	5.5	5.5	0.0	4.3	3.9	4.1	-0.2
Emerging Markets Debt	0.2	-0.2	-2.3	2.1	3.7	2.8	3.6	-0.8	3.3	2.2	3.1	-0.9
Mercer Australian Sovereign Bond	-1.8	-1.9	-1.9	0.0	4.7	4.5	4.3	0.2	3.3	3.1	3.0	0.1
Mercer Australian Inflation Plus	3.5	3.2	2.1	1.1	4.6	4.3	2.7	1.6	4.2	3.8	2.8	1.0
CASH												
Mercer Cash – Term Deposit Units	0.4	0.2	0.1	0.1	1.4	1.2	1.0	0.2	1.8	1.6	1.3	0.3
TOTAL FUND	19.0	18.0	14.5	3.5	10.3	9.5	7.9	1.6	10.4	9.5	7.7	1.8

Chief Executive Officer's Report continued

The investments markets have rebounded strongly after the initial reaction to the COVID-19 pandemic and recorded a very strong annual performance of 18% net of fees. As can be seen from the tables above, Global Listed Infrastructure was the only asset class of concern and Mercer took action during the course of the year to address the under-performance, and the benefit of this action should be seen in coming years. As expected in a low interest environment, the Fixed Interest and Cash asset classes only made minimal contributions to the overall performance and this is expected to continue for some time yet.

Total Funds Invested have increased by 21.7% over the year, whilst at the same time the Fund's beneficiary liability grew by 5%. This has placed the Fund in a very strong position, and should this continue over the next financial year, attention will need to be given to how to manage the growing surplus. This aligns with the triennial review being conducted as at 30 June 2022, and the in-depth actuarial review will provide the insights required for the Board to determine an appropriate course of action.

Transactions of note that have occurred are:

- the sale of the old Claremont primary school;
- an investment in the Tasmanian Construction Fund; and
- construction funding for two purpose-built townhouses for people living with disabilities.

The old Claremont primary school was a construction loan where TasBuild had to take possession as the mortgagee due to the developer failing to make repayments as required. The sale has been protracted and difficult due to COVID-19 pandemic

but the sale of \$4 million finally settled in July 2021, and with the proceeds the investment still achieved 7.2% per annum over the life of the investment.

The Tasmanian Construction Fund is a professional manager that has established a fund to provide finance to developers undertaking construction projects in Tasmania. Strict lending criteria will be applied to the projects offered to ensure risk of default or losses is minimised. The object is to foster construction activity within Tasmania that will also have the added benefit of generating additional employment and the added flow-on benefits to the Tasmanian economy.

The Dowling Street townhouses constructed in Launceston was the provision of finance to enable a developer, Mr Andrew Tilt, to build high quality, purpose-built townhouses to accommodate four residents living with disabilities in each townhouse. This sort of infrastructure has lagged behind the demand from people living with disability, and TasBuild is proud to have been a part of making this project a reality. The developer is now planning a further group home for people living with disabilities and a group home for young people living in aged care, so they can be accommodated with residents in similar age bracket rather than living in an aged care home due to their high dependency needs.

Mercer continues to work closely with the Board and the Investment Committee to monitor developments in the investment markets to ensure that the portfolio continues to perform well relative to the market and to ensure TasBuild is not unnecessarily exposed to unacceptable investment market risk.

The table of asset allocations include the 'off-platform' investments held by TasBuild and managed by the Board. The Board has a goal to support the Tasmanian building and construction industry and currently has provided construction loans totalling \$10.45 million to support construction industry activity and jobs in the industry.

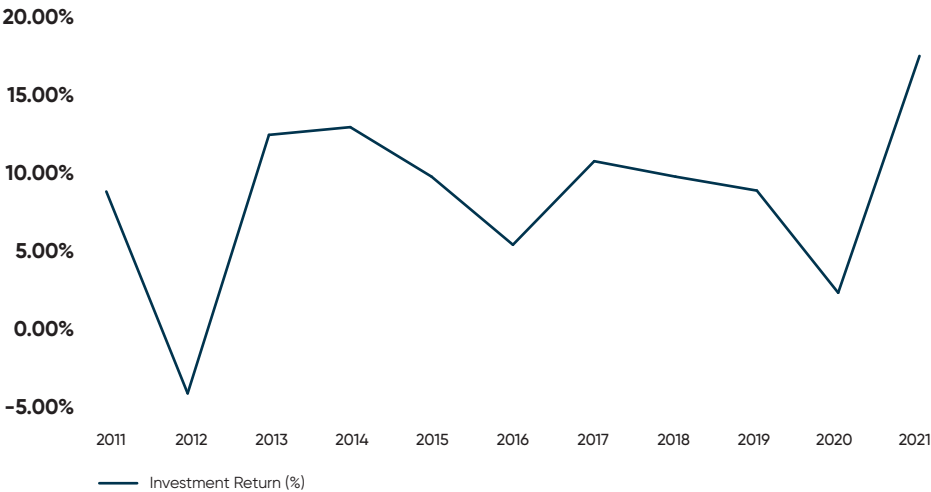
Off-platform assets managed by TasBuild are detailed below:

Investment Options	Asset Allocation %	Valuation at 30 June 2021
Direct Property	14.8	\$2.56 M
Term Deposits & Cash at Bank	24.7	\$4.27 M
Construction Loans	60.5	\$10.45 M
TasBuild Total	100.0	\$17.28 M

Note: direct property is recorded at valuation.

Our historical investment performance is highlighted in the following graph:

Investment Performance



Chief Executive Officer's Report continued

Financial

The movement for the year in investment and liability-related figures is detailed below:

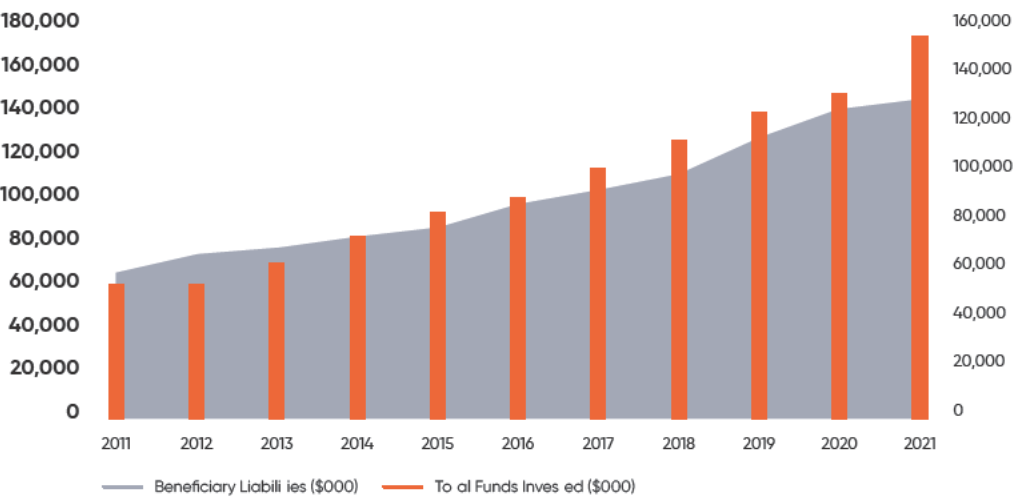
Investments	June 2017	June 2018	June 2019	June 2020	June 2021
Total Assets (\$000)	124,400	138,415	152,009	154,785	184,889
Total Funds Invested (\$000)	116,530	129,408	142,650	146,022	177,685
Actuarial Liability (\$000)	95,142	101,553	116,646	128,439	134,874
Assets/Liabilities Coverage (%)	129.3%	135.3%	129.3%	119.3%	137%

The increase in actuarial liability has again increased substantially for this year due to the increase in workers reaching a length of service where an entitlement has been reached or will be in the near future.

The Board takes a conservative view whereby the 'Assets to Liabilities ratio' must be at least 110% of the Beneficiary Liability as per the financial statement, but preferably should be closer to 120%. Achieving this level of liability coverage provides a buffer against the vagaries of market fluctuations and liability valuations. This in turn removes pressure on employer contribution rates and other actions to minimise risk.

As at 30 June 2021, the Assets to Liabilities ratio was 137% rebounding from 119.3% at June 2020. Whilst this is a significant increase, it must be remembered that market fluctuations, such as experienced during the COVID-19 pandemic, can have a significant impact on the calculated surplus, and any action to address the surplus must be carefully considered to ensure it does not cause fluctuations requiring increases to the employer contribution rate to restore the liability coverage to the targeted percentage.

Beneficiary Liability vs Funds Invested



Mercer has provided advice to TasBuild that our investment objectives can best be achieved through a portfolio that is diversified in a number of ways:

- Growth assets (70%) versus defensive assets (30%);
- 14 different assets classes are utilised;
- Investing in multi-manager investment funds; and
- Directly managing our portfolio of off-platform investments.

This diversified investment strategy along with proactive management through Mercer helps to minimise the risk of a major and protracted reduction in investment valuation and performance.

The Beneficiary Liability provides the motivation for prudent management of the investment portfolio and the reason the Board engages with the expertise available through Mercer's staff.

The Beneficiary Liability represents the expected worker long service leave benefits that are estimated to be paid out in the future for the currently registered workers. The need to have assets that match or exceed the value of this liability is a major determinant of investment decisions. Our success through investing and the comparative growth of this liability are two of the most important factors impacting on employer contribution rate decisions.

The Actuary has advised that based on the situation at the date of the Actuarial report, the current 2.5% contribution rate and the 1.8% discounted contribution rate is appropriate for the next financial year.

Investment Governance is a critical aspect reviewed and monitored by both the Board and Investment Committee. A suite of documents dictates policy, strategy and beliefs, and the guidance in these documents is proactively applied in the monitoring of investments and liabilities. Strategic decisions, benchmarks and investment objectives are assessed monthly and reviewed at least annually, or if market volatility dictates, on a more frequent basis. The documentation including investment objectives are also scrutinised at least annually to determine whether they address current investment practice and/or market circumstances. The close interaction between the Board Members and Mercer's staff has ensured that the Fund's objectives are supported by the recommended investment strategy and fund solvency remains above the Board's approved benchmark.

Chief Executive Officer's Report continued

Information Technology

The collection of employer contributions and recording of worker service is the fundamental reason for TasBuild's existence and this is managed on the Worker Customer Relationship Management software (wCRM) which is why this remains our primary focus. Since the implementation of wCRM in July 2019 the TasBuild team has been committed to review and improvement of the software to achieve improved employer and worker management along with utilising the software to make employer and worker interactions more efficient and user-friendly.

wCRM has provided extra functionality to promote efficient processes for all involved as well as the opportunity for TasBuild to more effectively communicate with employers and workers, especially in regards to the online Employer and Worker portal.

Our focus from here will be building on the current wCRM functionality with continual reviews whilst looking at new enhancements to the system to roll out which will allow for even greater interaction and efficiency, hence providing further savings to the Fund. This includes such things as online Worker Entitlement applications and direct email integration into the database allowing for tasks to be assigned easily to incoming emails.

With change being a constant in our administration, we have also established wCRM test environment to help ensure that when any changes are made to wCRM, they are thoroughly tested by the TasBuild staff to ensure that the desired results are being achieved without any adverse impacts.

5G Networks continue to provide specialist information technology support, and this has been further embraced by appointing them to provide a hosted server solution to ensure we minimise any outages that may impact on employer and worker portal access and provide additional security in relation to backup server infrastructure, cyber security and access to the latest technology.

A number of Tasmanian businesses have been subject to cyber security attacks which in some cases have been costly in a number of ways, including ransoms, being unable to conduct business, being unable to even advise stakeholders of what has happened and data breaches. This prompted an in-depth audit of the information technology environment leading to the development of a Cyber Security Risk Management Plan. As part of this process, the staff have already undertaken Cyber Security Risk Awareness training, as staff are the frontline defence against attacks.

Human Resources

2020-2021 has been another busy, yet productive year for TasBuild staff with minimal changes to the current staffing structure.

At the end of 2020, all staff took part in development training over 4 half-day sessions. These sessions focused on revisiting the mission, vision and values of TasBuild and how these values can be worked into the day-to-day operations of the business. This included sessions on communicating effectively with all stakeholders and understanding different communication and behaviour styles. As part of this, staff undertook a DISC profile which is a multi-faceted assessment that measures a person's behaviours, motivators and emotional intelligence and therefore provided an insight on how to interact with others, which the staff found to be a valuable exercise.

A new contract position, Project Administrator, was filled at the beginning of the year to assist with the Sole Trader project. An additional position has just been advertised for a Field Officer to join the team to increase the engagement with employers and workers, including educating them about the fund, their legal obligations, and to lift the profile of TasBuild with stakeholders in the construction Industry.

The small team of hard-working staff at TasBuild have defined areas of responsibility as noted below, administering and managing the Fund on behalf of contributors and beneficiaries.

As at 30 June 2021 the following staff were employed by TasBuild Limited:

Chief Executive Officer	Michael Irwin
Operations/Office Manager	Kristy Alexander
Field Officer	Mark Corrigan
Compliance Officer	Jim Howatt

Operations Team

Worker Entitlements processing and service reviews	Vicky Blizzard
Employer Returns management	Kylie McDonald
Accounts Receivable, Unrecorded Service and Legal Files	Juanita Johnson
Business and Worker Registrations, Backlog Invoices and Receipting	Tammie O'Brien
Accounts Payable and Payroll	Rebecca Park
Reception	Ronda Randall
Project Administrator	Eva Bradshaw

Staff are to be congratulated for their commitment and dedication in continuing to provide timely and quality worker and employer services in difficult and challenging times.

Chief Executive Officer's Report continued

The Future

The focus for the future is as follows:

- To make it easier for employers and workers to conduct business with TasBuild;
- Raising the profile of TasBuild by engaging with employers and workers to educate them about the long service fund, their rights and their responsibilities;
- Investing in Tasmania to support the industry and encourage additional employment;
- Bolstering our compliance capability through technology and the addition of another field officer; and
- Improving information technology infrastructure to protect the business, data and the financial assets of TasBuild.

Michael Irwin
Chief Executive Officer

The Board

The Construction Industry Long Service Board is established under the provisions of the Trust Deed. The Board consists of seven members.

Three members are appointed to represent employers. They are nominated by the Master Builders Association of Tasmania, the Tasmanian Chamber of Commerce and Industry and the Building Industry Specialist Contractors Association.

Three members are appointed to represent employees; they are nominated by the Construction, Forestry, Mining and Energy Union, the Australian Manufacturing Workers Union and Unions Tasmania.

The Board of Directors meets on a bi-monthly basis with other meetings scheduled on a need's basis. In 2020-2021 the Board met on eight occasions.

Other "Special" meetings are held to consider specific matters that require attention between scheduled meetings.

An independent Chairman is nominated by the Board of Directors.

The membership of the Board for the 2020-2021 financial year was:

Directors of TasBuild Limited

Mr Rod Scurrah Chairman

Rod Scurrah has worked in the Financial Services Industry since 1972. He has been licensed to give Financial Advice since 1985 and in 1998 graduated with The Diploma in Financial Planning through Deakin University and achieved Certified Financial Planner status. He is a Fellow of The Financial Planning Association and a Life Member of The Association of Financial Advisers. In 2005 Rod was awarded a National Value of Advice Award by The Financial Planning Association.

Rod is a Graduate member of The Institute of Company Directors. He was Chairman of The Tasmanian Catholic Education Commission, completing his 6-year term in 2011 and has previously been Chair of the Board of Guilford Young College in Hobart, National President of The Association of Financial Advisers and Chair of the Asia-Pacific Life Insurance Council.

Appointment 20.08.2012
Re -appointed 19.04.2018
Term expires 20.04.2022

The Board continued

Mr Lyndon Fenton

Representative Master Builders Association

Lyndon Fenton is a Director of a Hobart based building company and the president of Master Builders Tasmania Inc.

Appointment 24.04.2018
Term expires 20.04.2022

Alternate

Mr. Matthew Pollock
Appointed 17.01.2019

Mr John Short

Representative of the Australian Manufacturing Workers Union

John Short, past TasBuild Director and has been recently re-appointed. Tasmanian State Secretary of the Australian Manufacturing Workers Union, John, a boilermaker by trade emigrated from the United Kingdom in 1981 working in the Steel, Oil, Vehicle, Shipbuilding and Construction industries. He commenced work with the Australian Manufacturing Workers Union in 2000 in the Union's National Office in Sydney as the head of the AMWU's National Organising Unit, he then moved to South Australia to work as an Organiser with the South Australian branch until July 2010 when he relocated to Tasmania to take up the position of State Secretary of the AMWU.

Appointment 17.08.2016
Re-appointed 20.04.2020
Term expires 20.04.2024

Alternate

Mr Jacob Batt
Appointment 25.07.2019

Mr Michael Shepperd

Representative of the Building Industry Specialist Contractors Organisation

After graduating with a Bachelor of Business Degree (Accounting), Michael gained work experience within Tasmanian Industry.

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

Appointment 29.04.1998
Re-appointed 20.04.2018
Term expires 20.04.2022

Alternate

Mr. Mark Bayles
Appointment 14.07.2014

Mr Michael Bailey

Representative of the Tasmanian Chamber of Commerce and Industry

Michael Bailey is the Executive Director of the TCCI.

Appointment 20.04.2020
Term expires 20.04.2024

Alternate

Ms Colleen Reardon
Appointment 20.04.2020

The Board continued

Mr Kevin Harkins

Representative of the Construction, Forestry, Mining & Energy Union

Kevin Harkins is currently employed by the CFMEU and is a past Secretary of Unions Tasmanian and State Secretary of the Tasmanian Branch of the Communications, Electrical and Plumbing Union (CEPU) and has been a Union Official since 1995.

Kevin is an “A” grade Electrician with many years’ experience in all fields of electrical work.

Kevin has extensive experience working with apprentices as a Field Officer and Director of a large Group Training Company, a board member with the Tasmanian Electrotechnology Industry Training Board, and as a member of the Tasmanian Training Agreement Committee.

Kevin has held numerous other board and committee positions, and has completed a Directors course with the Australian Institute of Company Directors.

Appointment 16.08.2016

Re-appointed 16.03.2018

Term expires 20.04.2022

Alternate

Mr. Richie Hassett

Appointed 18.08.2016

Mr Michael Anderson

Representative of the Unions Tasmania

Michael Anderson is the State Secretary of the CEPU.

Appointment 07.12.2017

Re-appointed 20.04.2020

Term expires 20.04.2024

Alternate

Ms. Leaselle Archer

Appointed 18.12.2017

Directors' Report

The Directors of TasBuild Limited submit herewith the financial report for the financial year ended 30 June 2021.

The Directors who held office during the reporting period were:

Director	Appointed
Rod Scurrah	20 August 2012
Michael Shepperd	21 April 1998
Kevin Harkins	16 August 2016
Michael Anderson	7 December 2017
Lyndon Fenton	20 April 2018
John Short	19 July 2019
Michael Bailey	20 April 2020

The Directors were in office from the beginning of the year until the date of this report, unless otherwise stated. All the Directors of the Company are non-executive Directors. The appointment dates represent the initial date of the Directors appointment, reappointment dates have not been reported.

Principle Activities

TasBuild’s principle activities are to administer the *Construction Industry (Long Service) Act 1997*, the governing legislation for the construction industry based portable long service scheme. During the year there was no significant change in the nature of those activities.

Review & Results of Operation

The net profit/(loss) of the company for the financial year was \$24,596,000 which is a 355% increase as compared with that of the prior year (2020: (\$9,659,000)).

Dividends

No dividend was paid or declared during the financial year, which is consistent with the 2020 financial year.

Significant Events after Balance Date

There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in financial years subsequent to this financial year.

Likely Development & Expected Results

The Directors do not predict any material change in the operations of the company or the expected results of those operations in future financial periods.

Director's Report
continued

Significant Changes in
the State of Affairs

There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in financial years subsequent to this financial year.

Environmental
Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Employees

The company employed 10.4 FTE employees as at 30 June 2021 (2020: 10.4 FTE employees).

Indemnification &
Insurance of Directors
& Officers

During the financial year, the Company paid a premium insuring the Directors and Officers of the Company against liabilities incurred as a Director or Officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an Officer or Auditor of the Company or of any related body corporate against a liability incurred as such an Officer or Auditor.

Proceedings on Behalf
of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Directors Meetings

Directors	Eligible to Attend	Attended
Rod Scurrah	8	8
Michael Shepperd	8	8
Kevin Harkins	8	7
Michael Anderson	8	8
Lyndon Fenton	8	6
John Short	8	8
Michael Bailey	8	8

Please note in most case the Alternate Directors attended meetings where the Director was unable.

Information on Directors

Mr Rod Scurrah is retired and is the independent Chairman of the Board, he is a Graduate Member of the Australian Institute of Company Directors.

Mr Michael Shepperd holds a Bachelor of Business Degree (Accounting) and is a Certified Practising Accountant.

Mr John Short is the State Secretary of Australian Manufacturing Workers Union and is a Graduate Member of the Australian Institute of Company Directors.

Mr Kevin Harkins is currently employed by the CFMEU and is a past Secretary of Unions Tasmanian and State Secretary of the Tasmanian Branch of the Communications, Electrical and Plumbing Union (CEPU) and has been a Union Official since 1995.

Michael Anderson is the State Secretary of the CEPU.

Lyndon Fenton is a director of a Hobart based company and the past president of Master Builder Tasmania Inc.

Michael Bailey is the Chief Executive Officer of the Tasmanian Chamber of Commerce and Industry (TCCI).

Company Secretary

The following person held the position of company secretary at the end of the financial year: TasBuild Limited's Chief Executive Officer Michael Irwin and was appointed on 27 April 2020.

This Directors' Report is signed in accordance with a resolution of the Board of Directors:

Michael Bailey
Director

Kevin Harkins
Director

Dated 13 September 2021

Primary Statements

Statement of Comprehensive Income for the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Revenue			
Contributions Accrued Liability	1L	1,819	1,266
Monthly/Quarterly Contributions	1L	13,503	13,510
Income from Financial Assets	2	27,229	643
Income from Property		188	184
Gain/(Loss) on Disposal of Asset		(6)	1
Miscellaneous Income		76	84
Total Revenue		42,809	15,688
Expenses			
Long Service			
Long Service Benefits		16,263	10,357
Administration			
Salaries and Associated Expenses		942	1,039
General Administration Expenses	3a	872	1,009
Other Expenses			
Bad Debts		105	143
Depreciation	3b	31	34
Adjustment Liability to Beneficiaries	18	–	12,765
Total Expenses		18,213	25,347
Net Profit/(Loss) Attributable to Members of TasBuild Limited		24,596	(9,659)

This Statement of Comprehensive Income should be read in conjunction with the notes to and forming part of the financial statements

Statement of Financial Position as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Assets			
Cash and Cash Equivalents	5	1,904	3,218
Accounts and Other Receivables	6	6,317	1,451
Prepaid Expenses		–	12
Financial Assets	7	173,690	146,022
Other Accrued Income	6	–	1,356
Property, Plant & Equipment	8	116	164
Investment Property	9	2,560	2,560
Intangible Assets	10	1	2
Total Assets		184,588	154,785
Liabilities			
Provision for Employee Benefits	11	120	95
Accrued Charges	17	228	1,478
Accrued Long Service Leave Benefits Liability	18	134,874	128,439
Total Liabilities		135,222	130,012
Net Assets		49,366	24,773
Equity			
Retained Earnings		49,366	24,773
Total Equity		49,366	24,773

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

Primary Statements

continued

Statement of Changes in Equity for the Year Ended 30 June 2021

	Retained Earnings
As at 30 June 2019	34,432
Profit/(Loss) for the Year	(9,659)
As at 30 June 2020	24,773
Historical Balancing	(3)
Profit/(Loss) for the year	24,596
As at 30 June 2021	49,366

This Statement of Changes in Equity 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 2021

	Note	2021 \$'000	2020 \$'000
Cash Flows from Operating Activities			
Receipts from Contributors		11,962	14,777
Other Receipts		114	260
Interest Received		1,376	259
Payments to Suppliers and Employees		(19,398)	(11,487)
Liability to Beneficiaries		6,435	(972)
Net Cash Flows from/(used in) Operating Activities	16	489	2,837
Cash Flows from Investing Activities			
Proceeds on Sale of Property, Plant & Equipment		7,064	19
Purchase of Property, Plant & Equipment		(10)	(86)
Purchases relating to Claremont Property		–	(26)
Purchase of Financial Assets		(8,858)	(4,289)
Realised Income Fund Manager		1	1,500
Net Cash Flows from/(used in) Investing Activities		(1,803)	(2,882)
Net Increase/(Decrease) in Cash and Cash Equivalents		(1,314)	(45)
Cash and Cash Equivalents at Beginning of the Period		3,218	3,263
Cash and Cash Equivalents at End of the Period		1,904	3,218

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

Note to the Financial Statements

The financial statements and notes represent those of TasBuild Limited, a company limited by guarantee, incorporated and domiciled in Australia.

1. Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result on financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. All amounts in the financial statements have been rounded to the nearest thousand dollars.

Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

Accounting Policies

(a) Income Tax

The Fund is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(b) Fair Value of Assets and Liabilities

The Company 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.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

(c) Property, Plant and Equipment

All items of Plant and Equipment are stated at cost less accumulated depreciation and any impairment in value. Land and Buildings are not depreciated.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they occur.

Depreciation

All other items of Plant and Equipment are depreciated on a diminishing value basis over the estimated useful life of the asset as follows:

Category	2021	2020
Furniture and Fittings & Office Equipment	12-27%	12-27%
Motor Vehicles	20%	20%
Computer Equipment	27%	27%

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at the end of each reporting period, or more often when events or changes in circumstances indicate the carrying value may not be recoverable.

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 disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised.

When revalued assets are sold, amount included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Investment Property

Investment property, comprising of NRAS properties, is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is initially measured at cost and subsequently measured at fair value.

Fair value of investment properties is determined on a valuation by an independent valuer who has recognised and appropriate professional qualifications and experience in the location and category of investment property being valued. Fair values are determined by the valuer using market information, including prices for similar properties in comparable locations.

Changes to fair values of investment property are recognised in profit or loss in the period in which they occur.

(e) Leases

TasBuild does not hold any material finance leases.

At inception of contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Notes to the Financial Statements
For the year ended 30 June 2021

1. Summary of Significant Accounting Policies
continued

(f) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the financial instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss” in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value using the net market value of the investment at period end as provided by the relevant fund manager.

i. Financial assets at fair value through profit or loss

Financial assets are classified as “fair value through profit or loss” when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with

changes in carrying amount being included in the profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss through the amortisation process and when the financial asset is derecognised.

iii. Held-to-maturity investments

Held to maturity investments are non-derivative financial assets that have fixed maturities with fixed or determinable payments, and it is the company’s intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss and other comprehensive income through the amortisation process and when the financial asset is derecognised.

iv. Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity, nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairments losses and foreign exchange gains and losses recognised in the profit

and loss and other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within twelve (12) months after the end of the reporting period. All other available-for-sale assets are classified as current assets.

v. Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in statement of comprehensive income through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the future economic benefits of an asset are not primarily dependent upon the asset’s ability to generate net cash inflows and when TasBuild would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset class, the company would estimate the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a re-valued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Derecognition

The derecognition of a financial instrument takes place when the company no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

(g) Impairment of Non-Financial Assets

At each reporting date, the company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. In assessing value in use the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money.

Notes to the Financial Statements

For the year ended 30 June 2021

1. Summary of Significant Accounting Policies

continued

(h) Intangible Assets Other than Goodwill

Software

Software is considered to have a finite useful life and is amortised on a systematic basis over its useful life so as to match the economic benefits received to the periods in which the benefits are received. Amortisation begins when the software becomes operational.

The amortisation rate used for software is 25% (2020: 25%).

(i) Employee Benefits

Short-Term Employee Benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employee rendered the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as salaries and wages and sick leave are recognised as part of the current liability section of the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-Term Employee Benefits

Provision is made for employees' long service leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates that approximate the terms of the obligations.

Upon the remeasurement of obligations due to change in assumptions for the long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense in the periods in which the change occurs.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(j) Provisions

Provisions are recognised when the Company 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 the amounts required to settle the obligation at the end of the reporting period.

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as short-term borrowings in current liabilities in the statement of financial position.

(l) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts allowed.

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:

Contribution Income

Effective from 1 January 2006 workers commenced accruing 13 weeks after 10 years, a change from 13 weeks after 15 years. Effective from 01 October 2017 the discounted contribution rate was changed to 1.8% of an employee's ordinary weekly wage (previously 2%). Income is recognised when the payment is received.

Rental Income

Rental income arising from investment buildings is accounted for on a straight-line basis over the lease term.

Interest

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax.

(m) Trade and Other Receivables

Accounts receivable relate mainly to contributions. Contributions are non-interest bearing and generally on 30 day terms from invoice date. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Receivables are initially recognised at fair value and subsequently measured at amortised cost less any provision for impairment. Bad debts are written off as incurred.

(n) Trade and Other Payables

Trade and Other Payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance of trade payables is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Notes to the Financial Statements

For the year ended 30 June 2021

1. Summary of Significant Accounting Policies

continued

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 between 1 July 2000 and 30 June 2005 amounts invoiced include GST. Amounts expected to be paid within 12 months of the end of the reporting period are classified as current liabilities. All other contribution payables are classified as non-current liabilities.

(o) 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.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Comparative figures

Where required by accounting standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(q) Critical Accounting Estimates and Judgements

Key Estimates

(i) 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.

(r) Subsequent Events

There were no subsequent events noted during the year affecting the operations of TasBuild.

	2021 \$'000	2020 \$'000
2. Income from Financial Assets		
(a) Domestic Market		
Interest Income	1,376	259
(b) Funds Held by Fund Managers		
Distributions Received	–	6,612
Unrealised Gain/(Loss)	25,853	(6,228)
Total Income from Financial Assets	27,229	643

3. Expenses

(a) General Administration Expenses		
Postage	16	22
Telephone	18	14
Printing and Stationery	17	14
General Expenses	218	287
Consultancies	15	97
IT Expenses (excluding depreciation)	194	177
Board Members' Allowances	109	62
Audit Fees	16	14
Vehicle Expenses (excluding depreciation)	14	14
Legal Expenses	230	216
Actuarial Services	14	27
Advertising and Promotion	11	65
Total General Administration Expenses	872	1,009
(b) Depreciation		
Office Equipment	2	2
Motor Vehicles	20	21
Computer Equipment	7	9
Furniture and Fittings	2	2
Total Depreciation	31	34

Notes to the Financial Statements

For the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
4. Auditors Remuneration			
Amounts received or due and receivable by WLF Accounting & Advisory for:			
Audit and review of the financial report of TasBuild Limited	16	16	14
Other services performed	14	14	3

5. Cash and Cash Equivalents

Cash at bank and in hand	1,904	3,218
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Cash at bank earns interest at floating rates based on daily bank deposit rates.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash at bank and in hand and short-term deposits with and original maturity of three months or less.

6. Trade and Other Receivables

Current			
Trade Receivables	6a	6,617	1,858
GST Refundable		-	43
Provision for Impairment	6b	(300)	(450)
Total Current Trade and Other Receivables		6,317	1,451
Non-Current			
Accrued Contributions		-	1,356
Total Non-Current Trade and Other Receivables		-	1,356

(a) Terms and conditions relating to the above financial instruments:

Trade receivables are generally 30 day terms. These receivables are assessed for recoverability and a provision for impairment would be recognised when there is objective evidence that an individual trade receivable is impaired. These amounts would be included in other expense items.

	2021 \$'000	2020 \$'000
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(b) Lifetime Expected Credit Loss; Credit Impaired

The Company applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of lifetime expected credit loss provision for all trade receivables.

(c) Credit Risk

The Company has no significant concentration of credit risk with respect to any single debtor included in the balance above.

The Company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

The Company writes off a trade receivable when there is information indicating the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

7. Financial Assets

Term Deposits	2,821	2,203
Funds under Management	162,629	136,777
Loans Receivable	8,224	-
Bond – Office Lease	16	-
Other Investments	-	7,042
Total Investments	173,690	146,022

(a) Financial Assets Measured at Fair Value through Profit or Loss

Funds Under Management	162,630	136,777
Bond – Office Lease	16	-
Other Investments	-	7,042
	162,646	143,819

(b) Financial Assets at Amortised Cost

Term Deposits	2,821	2,203
Loans Receivable	8,224	-
	11,045	2,203

Funds under management and Other Investments are held for long-term planned purposes and are not held for trading. The company has elected to designate the funds under management as at fair value though profit and loss.

Notes to the Financial Statements

For the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
8. Property, Plant and Equipment			
Office Equipment at cost		14	21
Less Accumulated Depreciation		(9)	(18)
	8a	5	3
Motor Vehicles at cost		119	164
Less Accumulated Depreciation		(39)	(41)
	8a	80	123
Computer Equipment at cost		67	183
Less Accumulated Depreciation		(47)	(157)
	8a	20	26
Furniture and Fittings at cost		34	37
Less Accumulated Depreciation		(23)	(25)
	8a	11	12
Total Property, Plant and Equipment		116	164

(a) Movements in Carrying Amounts

Office Equipment

Carrying amount at beginning	3	4
Additions	5	–
Disposals	(2)	–
Depreciation expense	(1)	(1)
Carrying amount at end	5	3

Motor Vehicles

Carrying amount at beginning	123	89
Additions	–	74
Disposals	(23)	(19)
Depreciation Expense	(20)	(21)
Carrying amount at end	80	123

Computer Equipment

Carrying amount at beginning	26	22
Additions	4	11
Disposals	(3)	–
Depreciation expense	(7)	(7)
Carrying amount at end	20	26

	Note	2021 \$'000	2020 \$'000
(a) Movements in Carrying Amounts continued			
<i>Furniture and Fittings</i>			
Carrying amount at beginning		12	13
Additions		1	1
Depreciation expense		(2)	(2)
Carrying amount at end		11	12

9. Investment Property

Balance at Beginning of year	2,560	2,844
Decrease in Valuation	–	(284)
Balance at end of year	2,560	2,560

The Company's investment properties consist of twelve units in Latrobe. These units are rented out in accordance with the National Rental Affordability Scheme (NRAS).

The fair values of the properties are based on valuations performed by Saunders & Pitt, an accredited independent valuer.

10. Intangible Assets

Computer Software at cost		12	53
Less Accumulated Depreciation	10a	(11)	(51)
		1	2

(a) Movements in Carrying Amounts

<i>Computer Software</i>			
Carrying amount at beginning		2	3
Depreciation Expense		(1)	(1)
Carrying amount at end		1	2

Notes to the Financial Statements

For the year ended 30 June 2021

	2021 \$'000	2020 \$'000
11. Provision for Employee Benefits		
Current	97	87
Non-Current	23	8
Total Provision for Employee Benefits	120	95

12. Segment Reporting

TasBuild operates predominantly in one business and geographical segment, being the administration of the *Construction Industry (Long Service) Act 1997* throughout Tasmania.

13. Related Party Transactions

(a) Directors and Key Management Personnel Remuneration

Directors Compensation:

– Short-term benefits	42,992	41,039
– Post-employment benefits	4,084	3,899
	47,076	44,938

Key Management Personnel Compensation:

– Short-term benefits	138,519	199,125
– Post-employment benefits	17,972	23,229
Other long-term benefits	21	4,506
	156,491	226,860

Total Directors and Key Management Personnel Remuneration	203,588	271,798
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(b) Other Related Parties

Fees paid to the bodies which nominate a Director:	57,998	49,602
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For all Directors of TasBuild, excluding the Chairman, Directors' fees are paid directly to the body which nominates the Director.

	2021 \$'000	2020 \$'000
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14. Contingent Assets and Contingent Liabilities

There are no contingent liabilities or contingent assets known at the date of preparing this report.

15. Events after the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

16. Reconciliation of Net Profit/(Loss) to Net Cash Flows from Operating Activities

Net Profit/(Loss)	24,596	(9,659)
Adjustments for		
(Profit)/Loss on Sale of Plant and Equipment	6	(1)
Unrealised (Gains)/Losses on Investments	–	6,228
Reinvestment of Financial Asset Income	(25,853)	(6,612)
Depreciation	31	33
(Increase)/Decrease in Receivables and Other Assets	(3,510)	(7)
(Increase)/Decrease in Prepaid Expenses	12	(5)
Increase/(Decrease) in Creditors and Other Liabilities	5,182	12,858
Increase/(Decrease) in Provisions	25	2
Net Cash Increase/(Decrease) from Operating Activities	489	2,837

Notes to the Financial Statements

For the year ended 30 June 2021

17. Financial Risk Management Objectives and Policies

The Trustee of the Construction Industry (Long Service) Fund, TasBuild Limited, is responsible for the management and investment of the Fund. The Board of Directors has overall responsibility for the establishment and oversight of the Trustee's risk management framework, including its investment strategies.

The principal investments of the fund are:

Cash and Other	5.7%
Australian Shares	22.4%
Overseas Shares	26.3%
Property and Infrastructure	30.8%
Bonds	14.8%

Investment strategies have been developed by the Trustee to manage the Funds investments which aim to build on the surplus funds in order to maintain the best subsidised contribution rate for employers within the construction industry whilst maximising employee benefits by matching performance, on a rolling basis, to identified benchmarks and minimising the frequency of negative returns.

This is achieved through the appointment of appropriate and reputed fund managers who are responsible for the management of the majority of these investments and all associated investment risks on behalf of the Trustee. The current fund manager is Mercer.

Mercer is required to invest the assets managed by it in accordance with the terms of a written investment mandate, appropriate for the objectives of the fund. No direct trading in financial instruments of any kind is conducted by the Trustee.

The Funds investing activities expose it to material risk and investment manager risk. The fund is exposed to a lesser degree to liquidity risk and credit risk. The Board are responsible for the oversight of investment manager risk. The Board has delegated the oversight of market risk to the Fund Manager and the oversight of the other risks to management.

The Board oversees these risks through receiving monthly management reports on the performance and position of the fund including monthly fund manager movements. Detailed quarterly reports are received from the fund manager detailing investment performance benchmarks and stated objectives.

Investment Manager Risk

The Trustee undertakes a rigorous assessment process when selecting and reviewing fund managers. The selection, review and replacement of fund managers is undertaken by the Board of the Trustee. The Trustee ensures that fund managers have appropriately diversified its investments across a range of investment products.

The Trustee receives financial updates on a monthly basis measuring performance for the month. Detailed performance reporting is received on a quarterly basis showing performance against benchmarks, investment objectives and general market conditions, allowing manager performance to be monitored throughout the year. Compliance with the agreed investment philosophy is also monitored.

On an annual basis a rigorous review of fund manager performance is conducted by the Board in accordance with the Trustee's investment strategies and the trust deed.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return on risk.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

The Board may invest in financial instruments and enter into transactions denominated in currencies other than the Australian Dollar within the constraints of the investment strategy. The Board's strategy for management of currency risk is driven by its investment objective and strategy.

Market Price Risk

Market price risk is the risk that the value of investments will fluctuate as a result of changes in the market prices. The investments placed with fund managers invest in the following securities exposing them to market price risk:

Cash and Other	5.7%
Australian Shares	22.4%
Overseas Shares	26.3%
Property and Infrastructure	30.8%
Bonds	14.8%

Market price risk is mitigated by the appointment of an appropriate fund manager and ensuring the investment portfolio is diversified across a range of asset classes and global markets.

Notes to the Financial Statements
For the year ended 30 June 2021

17. Financial Risk Management Objectives and Policies continued

Market Price Risk Sensitivity

The information to complete a materially correct sensitivity analysis based on market movements is not currently obtainable. The investment portfolio is diversified across a broad range of investment funds in the Australian and Global markets with no single base measure currently available to calculate an accurate sensitivity analysis as at 30 June 2019. The Trustee will endeavour to put systems in place to ensure this analysis can be conducted in the future.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The majority of the Fund’s investments are held in non-interest bearing investments. The Trustee’s exposure to interest rates relates primarily to the Trustee’s investment in cash and fixed interest funds. Returns on these investments will fluctuate with movements in market interest rates.

Interest Rate Sensitivity

The sensitivity of the Fund to movements in interest rates is restricted to its cash investments. As the value of cash investments are immaterial it is assessed that a 100 basis point movement in interest rates would not cause a material change in the income or investment values of the fund.

Credit Risk

Credit risk is the risk that a counter party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The maximum exposure is equal to the carrying amount in the statement of financial position. Receivable balances are monitored on an ongoing basis with the result that the Trustee’s exposure to bad debts is not significant.

There are no significant concentrations of credit risk within the Trustee’s holdings with the exception of being concentrated in the construction industry.

Liquidity Risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund’s approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities as and when they fall due through maintaining sufficient holdings in investments which are readily convertible to cash in the short term.

The following are the contractual maturities of the Fund’s financial liabilities:

	Contractual Cash Flows		Due Less than 1 month	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial Liabilities				
Accrued Charges	228	1,478	228	66
Total	228	1,478	228	66

Estimation of Fair Value

TasBuild’s financial assets and liabilities included in the statement of financial position are carried at net market value which the Board believes approximates net fair value. The major methods and assumptions used in estimating the fair values of financial instruments are disclosed in Note 1.

Notes to the Financial Statements

For the year ended 30 June 2021

	2021 \$'000	2020 \$'000
18. Accrued Long Service Benefits Liability		
Long Service Benefits Liability Verified by Actuary		
An increase in accrual of new service days of \$13.2m and benefits paid during the year of \$11.2m have been the significant factors impacting the Fund's provision, when compared with the assessment at 30 June 2020.		
Current	11,800	10,400
Non-Current	123,074	118,039
Total Accrued Long Service Benefits Liability	134,874	128,439
<i>Movement in Provision</i>		
Value of provision at start of period	128,439	116,646
Allowance for administration at start of period	(3,500)	(3,700)
	126,349	112,946
Change in provision due to passage of time	–	2,067
Change in provision due to change in discount rate	–	3,726
Change in provision due to change in other assumptions	–	(3,519)
Increase in provision due to service days accrued in period	13,193	17,716
Benefits paid to members in period	(11,240)	(10,204)
Reversed unused amounts in period	–	(2,295)
Change in provision for self-employed workers	(210)	(700)
Allowance for Additional Days Service	–	1,166
Actuarial gain/(loss)	–	4,035
Unwinding of Interest/discounting	1,811	–
Change in assumed future wage inflation rate	2,464	–
Wage increase in 20/21 higher than assumed	1,282	–
Changed approach for "worked recently" members	2,463	–
Changed impact of employer contributions receivable	305	–
Modelling differences	(5,726)	–
Remaining factors	583	–
	131,274	124,939
Allowance for administration	3,600	3,500
Value of provision at end of period	134,874	128,439

Actuarial Statement

We have carried out an investigation of the fund as at 30 June 2021 and have calculated the actuarial liability for accrued long service leave benefits (inclusive of allowances for the cost of paying the accrued entitlements) to be \$134.87 million.

Geoff Morley, BSc, BCom
Fellow of the Institute of Actuaries of Australia
GM Actuaries Pty Ltd

Alfred Au, BCom, LLB (Hons)
Fellow of the Institute of Actuaries of Australia
GM Actuaries Pty Ltd

Dated: 27 August 2021

19. Entity Details

The registered office of the Entity is:

TasBuild Limited
Level 3/6 Bayfield Street
Rosny Park TAS 7018

Directors' Declaration

In accordance with a resolution of the directors of TasBuild Limited, the directors declare that:

- 1. The financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - a. Comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position of the Company as at 30 June 2021 and of its performance for the year ended on that date.
- 2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Michael Bailey
Director

Kevin Harkins
Director

Dated 13 September 2021



Auditor's Independence Declaration under S307C of the *Corporations Act 2001* to the Directors of TasBuild Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

DANNY MCCARTHY
Partner
Wise Lord & Ferguson
Chartered Accountants
160 Collins Street
Hobart TAS 7000

Dated: 13.9.21

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INDEPENDENT AUDITOR'S REPORT

To the directors of TasBuild Limited

Opinion

We have audited the financial report of TasBuild Limited and the Construction Industry (Long Service) Fund, which comprises the statement of financial position as at 30 June 2021, 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 statement by the trustees.

Separate unqualified audit opinions have been issued on these two entities in accordance with the governing rules and legislation. This audit report is a special purpose audit report as required by clause 10.3 of TasBuild Limited's Trust Deed dated 19 June 1998, in accordance with TasBuild Limited's Articles of Association, recital 25 and Memorandum of Association, clause 5.

In our opinion the financial report of TasBuild Limited and the Construction Industry (Long Service) Fund for the period ended 30 June 2021 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; and
 - 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;
- b) in accordance with TasBuild Limited's:
 - i. Trust Deed, clause 10.3; and
 - ii. Articles of Association, recital 25; and
 - iii. Memorandum of Association, clause 5.

Basis for Opinion

This special purpose audit report is prepared to express an opinion on whether the financial report of TasBuild Limited and the Construction Industry (Long Service) Fund for the period ended 30 June 2021 is 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; and
 - 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;
- b) in accordance with TasBuild Limited's:
 - i. Trust Deed, clause 10.3; and
 - ii. Articles of Association, recital 25; and
 - iii. Memorandum of Association, clause 5.

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

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ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of TasBuild Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors of Tasbuild Limited ('the directors') are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of Tasbuild Limited for the Financial Report

The directors are responsible for the preparation and fair presentation of the financial report in accordance with the conditions outlined at (a) and (b) in the Basis for Opinion above, and for such internal control as management determines 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 directors are 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 intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion, based on our audit, on conditions outlined at (a) and (b) in the Basis of Opinion above, 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial 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 management.
- Conclude on the appropriateness of management'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 those charged with governance 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.



DANNY MCCARTHY
Partner
Wise Lord & Ferguson
Chartered Accountants
160 Collins Street
Hobart TAS 7000

Date: 13.9.21



INDEPENDENT AUDITOR'S REPORT

To the members of TasBuild Limited

Opinion

We have audited the financial report of TasBuild Limited, which comprises the statement of financial position as at 30 June 2021, 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 trustees.

In our opinion, the accompanying financial report of Tasbuild Limited, is in accordance with the *Corporations Act 2001*, including:

- a. the financial report of TasBuild Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of TasBuild Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors of TasBuild Limited ('the directors') are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

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Our opinion on the financial report does not cover the other information and accordingly 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors of TasBuild Limited for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities 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 management.
- Conclude on the appropriateness of management'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 those charged with governance 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.

DANNY MCCARTHY
Partner
Wise Lord & Ferguson
Chartered Accountants
160 Collins Street
Hobart TAS 7000

Date: 13.9.21



INDEPENDENT AUDITOR'S REPORT

To the trustee and members of Construction Industry (Long Service) Fund

Opinion

We have audited the financial report of Construction Industry (Long Service) Fund, which comprises the statement of financial position as at 30 June 2021, 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 trustees.

In our opinion, the accompanying financial report of Construction Industry (Long Service) Fund, is in accordance with the *Corporations Act 2001*, including:

- a. the financial report of Construction Industry (Long Service) Fund is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the trustee of Construction Industry (Long Service) Fund, would be in the same terms if given to the trustee as at the time of this auditor's report.

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

Other Information

The trustee of Construction Industry (Long Service) Fund ('the trustee') is responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Liability limited by a scheme approved under Professional Standards Legislation.



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Our opinion on the financial report does not cover the other information and accordingly 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustee of Construction Industry (Long Service) Fund for the Financial Report

The trustee is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the trustee determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the trustee is responsible for assessing the Company'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 trustee either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities 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 management.
- Conclude on the appropriateness of management'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 those charged with governance 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.



DANNY MCCARTHY
Partner
Wise Lord & Ferguson
Chartered Accountants
160 Collins Street
Hobart TAS 7000

Date: 13.9.21,



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