



# Annual Report

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2022-23



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# Chair's Report

**I am very pleased to provide the Chair's Annual Report for TasBuild Limited for the year ending 30 June 2023.**

The year has been busy and challenging with an ever-increasing focus on performance, governance and the stakeholder experience.

Our former CEO Michael Irwin retired in March 2023, after making a strong contribution to TasBuild in reviewing and updating systems and policies, most notably those regarding cyber risk and testing. His strong management of compliance also helped to minimise risk to our business and the strong performance of our investments. I thank him sincerely for his advice and support to me as Chair.

We successfully recruited our new CEO Mark Williams from a field of 26 candidates. Mark has deep experience in financial services, most recently in investments with Spirit Super. He has hit the ground running and his performance in the first six months has been a credit to him and his excellent team.

We continue to struggle with problems arising from our governing legislation which results in frustration, confusion and litigation in the quest for clarity. This is undesirable on many fronts and imposes a costly burden on the fund. We are striving to improve this situation.

Pleasingly our financial performance for this year has been strong and has put TasBuild in a solid position to weather the uncertainties of the current economic environment. The Board has undertaken a strategic planning process to better design and implement decisions to enhance outcomes for our contributors and beneficiaries.

Our investment advisers, Mercer, continue to provide advice and guidance that is more increasingly tailored to the specific needs of TasBuild and which includes education sessions on various aspects of investment theory, management, performance and global economic trends.

Our Special Advisor to the Investment Committee, John Mazengarb, adds wise and considered advice at each meeting and I wish to acknowledge his contribution.

My colleagues on the Board add insights and experience which have been invaluable to the maturity of TasBuild and the breadth of Board discussions, and which have enriched my first year as Chair.

To all our contributors and beneficiaries, I reiterate my commitment to continue to improve our performance and service to you.

**Susan Parr**  
Independent Chair

# Chief Executive Officer's Report

**The financial year ended 30 June 2023 has been a big one for TasBuild having reached two significant milestones. TasBuild has now been in operation for 25 years managing the long service leave entitlements on behalf of the Tasmanian construction industry and 2023 has also witnessed TasBuild reach \$200 million in assets under management.**

We have had a change in CEO. I joined the company in March 2023, replacing outgoing CEO Michael Irwin. I would like to take this opportunity to acknowledge the wonderful contribution of Michael, who took the reins at TasBuild in a highly challenging period, commencing in early 2020 and having to navigate the uncertainty of COVID-19 lockdowns. During Michael's time he was able to lead TasBuild to strengthen the governance and compliance practices of the organisation. I wish Michael all the best in his well-deserved retirement after a long career in financial services.

2022/2023 has also seen further challenges that have had an impact on business operations and investments and these challenges are continually demanding executive and Board attention to monitor, manage and reposition them. The matters of interest currently are as follows:

- Ongoing impacts of the rising cost of living and the costs of materials and labour;
- Tight labour market;
- The continued rise of 'sham contracting';
- The ongoing war in Ukraine;
- Lower than historic growth rates in China as a major trading partner as their economy opens up following COVID-19;

- Continuing increases in interest rates by the RBA with the cash rate reaching 4.1%;
- The global rise of inflation and the central banks responses of increasing interest rates to try and lower inflation to the target band;
- The above issues impacting on worker productivity; and
- The gradual slow-down in the construction and building industry in Tasmania with the pipeline of new projects on the horizon reducing over the year.

Despite some of the challenges faced, the team at TasBuild have maintained their focus on service delivery to our employers and workers with the numbers of workers registered continuing to grow and a record number of entitlements being paid for the year. There have been continued service delivery improvements with special attention being paid to online services with further work being conducted into next year. As reported last year, the new website was launched in July 2022 presenting information in a manner that is more readily understood and with the website structured in a way that makes it easier to find the information that a worker or employer is seeking. We are committed to looking for further ways to improve the manner in which services are delivered.

In the past 12 months we have witnessed a strong rebound in financial markets which has helped further improve the financial position of TasBuild. The investment strategy for the Fund is still focused on the long term and recognises that there may be periods of negative performance. A prudent position has been taken to create a diversified portfolio to lessen the severity of any investment market downturn. The 1 year return to 30 June 2023 was 11.4% net of fees, which outperformed the benchmark return by 0.1%, whilst the longer term return over 10 years was +7.6% pa.

The key measure of the Fund's financial position is the comparison of the Fund's investments to estimated worker entitlement liability. As at 30 June 2023 the liability coverage was 156% which exceeds the Board's target of 120% and demonstrates that the Fund is in a sound financial position to withstand any market downturn and ensure entitlements are able to be paid.

## Corporate Governance

The Board Members and their meeting attendance for 2022 - 2023 is detailed below:

TITLE	NOMINATING ORGANISATION	MEETING ATTENDANCE	
Chair		BOARD MEETING	INVESTMENT COMMITTEE
Susan Parr	TasBuild Board	6 of 6	5 of 5
Directors			
John Short	AMWU	5 of 6	n/a
Matthew Pollock	MBT	4 of 6	n/a
Kevin Harkins	CFMEU	5 of 6	3 of 3
Michael Anderson	Unions Tasmania	5 of 6	1 of 2
Michael Shepperd	BISCO	6 of 6	n/a
Michael Bailey	TCCI	5 of 6	3 of 5

The Board met on six occasions in the year and participated in six continuous professional development sessions in compliance with the Board's Training and Development Policy.

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

Board Members are appointed for a four-year term, with half the positions becoming vacant every two years. Board Investment Committee representatives are appointed for a one-year term. The Independent Chair and the CEO are ongoing representatives while the Independent Committee Member appointment is reviewed every second year.



# Operational Overview

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

**Contributing Employers**

↑ **2.5%**

**Current Workers**

↑ **4.8%**

**Entitlements Paid**

↑ **22.3%**

**Contributions**

↑ **2.3%**

**Investments**

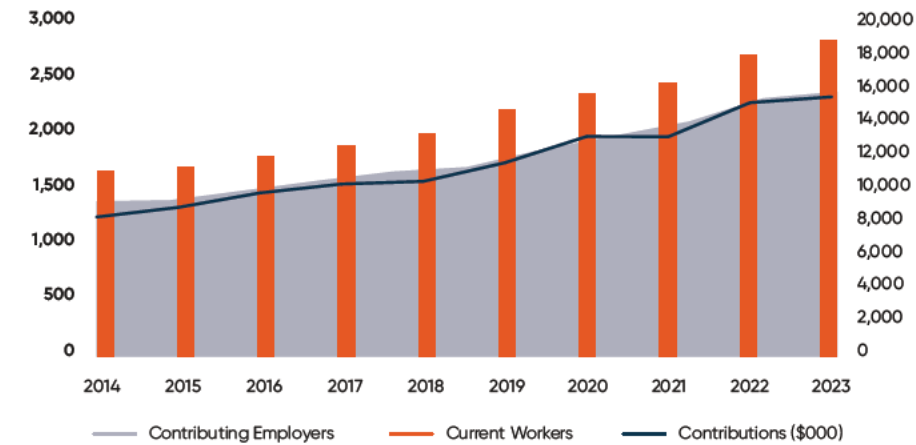
↑ **11.4%**

As can be seen from the above figures, employer and employee numbers have continued to increase over the last 12 months. A demonstration of the real benefit of a portable long service fund is the substantial growth in entitlement payments. Last year there was growth of 13.5% and this year has seen further

significant growth in entitlement payments of 22.3% to a new record. Over the last 12 months this has placed over \$14.8 million in entitlement payments in the hands of Tasmanian workers which is a significant benefit for the individuals and will have flow on effects for the Tasmanian economy.

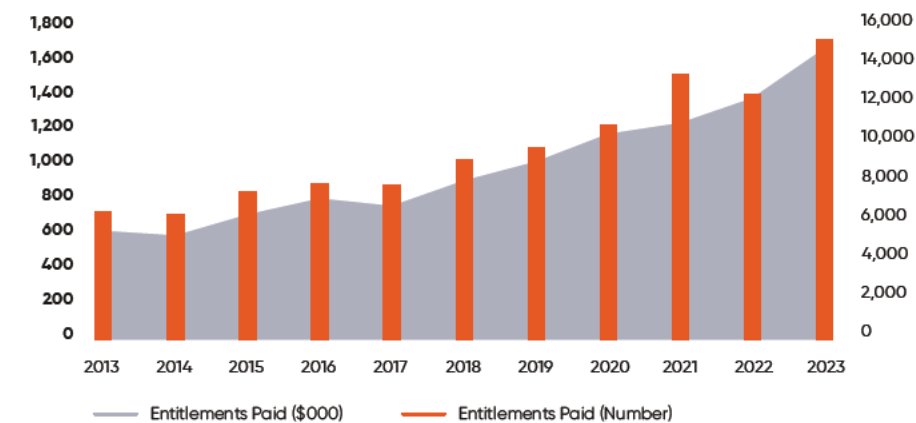
The trends to date over key areas are detailed below.

## Contributing Employers and Current Workers



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Employers	1,440	1,529	1,620	1,703	1,744	1,903	2,033	2,163	2,377	2,437
Workers	11,051	11,232	11,934	12,602	13,330	14,774	15,773	16,375	18,103	18,975
Contributions	8,368	8,958	9,847	10,393	10,557	11,702	13,314	13,298	15,392	15,749

## Entitlements Paid



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number	680	672	793	837	834	967	1,040	1,166	1,450	1,343	1,643
\$000	5,394	5,164	6,204	7,000	6,632	7,886	8,829	10,204	10,747	11,980	14,441

The strength of the industry over the past decade is clearly demonstrated by the growth over that period for contributing employers at 69.2%, current workers at 71.7% and employer contributions 88.8%. This continues to supplement the strength of the Fund and the ongoing financial stability allowing TasBuild to provide a valuable benefit to the workers and the construction industry in general.

It is very pleasing to see the level of entitlement payments, with employed workers receiving \$14.4 million and self-employed workers receiving \$419,778. This is of a substantial benefit for the building and construction industry from both an employers and workers perspective.

Work continues to ensure all workers that have an entitlement are clearly advised about their eligibility to an entitlement and how to lodge a claim. This has been a key factor that has led to the increase in the total number of entitlements paid. This is why TasBuild exists, and every effort is made to ensure the workers receive their benefits when they are entitled.

Employer compliance has remained an ongoing focus. Work continues to lift the profile of TasBuild, educating employers as to their responsibilities and to make it easier for them to voluntarily register, lodge returns and pay contributions. The compliance activity comes with a significant cost and over the last 12 months the compliance costs have exceeded \$250,000.

## Chief Executive Officer's Report continued

A continued focus of the Board and management of TasBuild over the last 12 months has been Cyber Security. This has been identified as a significant area of concern in prior reports and action has been taken to not only review our IT environment but also to continually improve it to strengthen protection against third party threats. Board and staff education is ongoing to ensure everyone has an appropriate level of understanding and knowledge to help protect TasBuild resources and information.

### Tasbuild turns 25

TasBuild commenced operations on the 1st July 1998 when Tasmania's Construction Industry Long Service Scheme was transferred from Government control. The Fund is administered as a Trust Fund by TasBuild Limited as the Trustee. This privatised structure with an equal representation Board from both the employer and worker sides represents an industry focused and driven scheme.

The total number of worker entitlements paid since July 1998 exceeds 15,000, which equates to around \$120 million paid to workers in the construction industry. In the first year of operation there were only 157 entitlements paid totalling \$716,980. This has now increased to 1,643 entitlements totalling \$14.4 million.

Funds under management have now grown to over \$200 million, reflecting the strong foundations that have been built by Board and staff, past and present.

### Strategic Direction

Following the appointment of a new CEO, the Board initiated a full review of the Strategic Plan, engaging an external consultant to facilitate a workshop in May 2023 where all aspects of the business were considered to identify the key areas of focus of the next 3-4 years.

The new Strategic Plan is being developed to align the Board and staff on the purpose of the organisation and consider the strategic direction. From that some key themes have emerged around:

1. TasBuild's Core Purpose and Activities;
2. Industry Engagement; and
3. People, Culture and Capability.

During the 2022/2023 year, the staff and the Board continued their work to achieve the outcomes required to deliver on the previously identified strategic initiatives.

The five Core Business Areas the Board previously identified and have focused on were:

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 in relation to each area:

#### 1. Administration and Governance

- On the 13th of October 2022 a new Rule was approved by the Board for addition to the TasBuild Rules to allow Working Directors to "Opt Out" of making contributions to TasBuild. This has been included as Rule 9D - Deregistration of Working Directors, which can be viewed on the TasBuild website.
- For TasBuild purposes a Working Director refers to a director, trustee or partner of an employer that undertakes relevant employment as an employee of the employer. Under the new rule a Working Director has the option of completing a Deregistration Notice (Working Director - Opt out Form) requesting that the name of the Working Director is removed from the Register of Employees.
- The effect of the Deregistration Notice and subsequent removal from the Register of Employees is that the Employer of the Working Director will no longer be required to lodge return information or pay any long service contribution charges in relation to the Working Director.

- By doing this the Working Director loses the entitlement to recognition of any relevant employment from the date of the Deregistration Notice (Opt Out Form). This opt out can however be revoked at any point but only relevant employment post receipt of the revocation will be able to be recognised.
- 279 Working Directors have taken the option to opt out since the rule was introduced; and
- 199 Employers updated to Registered and Not Contributing due to the Working Director opting out and having no other employees.

#### 2. Membership Management

- The operations team have continued to work with employers to make sure their returns only contain current workers so as to reduce the administrative burden of completing returns.
- Worker entitlement eligibility is an area that has continued to be reviewed to ensure all workers that were either not aware of a current entitlement or have a residual balance left from a previous entitlement payment, are alerted and advised of how to make a claim.

## Chief Executive Officer's Report continued

- All worker and employer processes are being reviewed to identify where we can more purposely align the TasBuild response to the process so that the response, support or information provision more directly responds to the initial contact which helps simplify the recipient's understanding of the issue and what action needs to be taken.

### 3. Investment Portfolio:

- TasBuild has an ongoing and regular cycle of investment and portfolio management as follows:
  - Review of benchmarks against which investment returns are measured;
  - Annual review and quarterly monitoring of investment objectives;
  - Annual review of all investment governance documents; and
  - Review of the format and quality of the reporting by Mercer.
- TasBuild engaged with Mercer to review the ESG policy in relation to our investments. The aim was to assess the ability of Mercer to address environmental, social and governance issues and the risks and challenges facing the investment portfolio.

- The key areas of focus were:
  - Climate change (environment);
  - Natural resources – pollution and diversity (environment);
  - Human rights and modern slavery (social);
  - Executive remuneration (governance); and
  - Diversity, equity and inclusion (governance).

- Continuing to explore and expand the opportunities for investment in the Tasmanian building and construction industry to contribute to construction activity, job growth over the longer term and flow on benefits for the Tasmanian community as a whole through a commitment to the Tasmanian Construction Fund.

### 4. Industry Profile and Education:

- TasBuild have been progressively updating all information materials, forms and communication templates to provide clearer and easier to understand information and communications.
- Encouragement of workers and employers to engage through online communications or portals continues, as it is more efficient and responsive for conduct of business.
- We are also continuing 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:

- Compliance is an ongoing challenge for TasBuild. Data still suggests there is a significant number of unregistered businesses and workers in the building and construction industry in Tasmania. Pursuit of these unregistered businesses has meant that compliance costs have remained high in the last year (although down from last year), however we are determined to retain this focus until business owners demonstrate a greater willingness to voluntarily register and maintain a significantly higher level of compliance.
- 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 as it can be. This in turn helps TasBuild to maximise the provision of long service leave benefits to those workers that are entitled to receive them.
- TasBuild is engaging with the Tasmanian Government and opposition to seek improvement in the legislation that governs portable long service leave seeking to reduce complexity and ambiguity regarding coverage.

## Investments and Financial Performance

The return on investments for the year was 11.4%, whilst at the same time the Fund's worker entitlement liability increased by 6.2%. During the course of the year the actuarial assumptions were updated seeing a further increase in the bond rate which were somewhat offset by wage increases. This has resulted in the liability coverage increasing from 149% at 30 June 2022 to 156% at the end of June 2023. This position will be analysed in more detail by the Board of TasBuild with a view of assessing what strategic action the Board can take to support the industry.

The Fund continues to be in a strong position. The surplus has allowed the Board to further increase the portfolio's allocation to unlisted assets which have made a significant contribution to protecting the fund's financial position over the year despite the number of factors that have been causing investment market volatility.

During June 2023 TasBuild divested out of its direct property investment located in Latrobe in Tasmania's north. The sale was a great result for TasBuild with the sale price achieved being well above the carrying value in the financials, providing a boost to the annual return achieved for the Fund.

# Chief Executive Officer's Report continued

## Financial

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

Investments	June 2019	June 2020	June 2021	June 2022	June 2023
Total Assets (\$000)	152,009	154,785	184,889	183,091	203,295
Total Funds Invested (\$000)	142,650	146,022	177,685	178,165	199,470
Actuarial Liability (\$000)	116,646	128,439	134,874	122,446	130,048
Assets/Liabilities Coverage (%)	129.3%	119.3%	137.0%	149.0%	155.9%

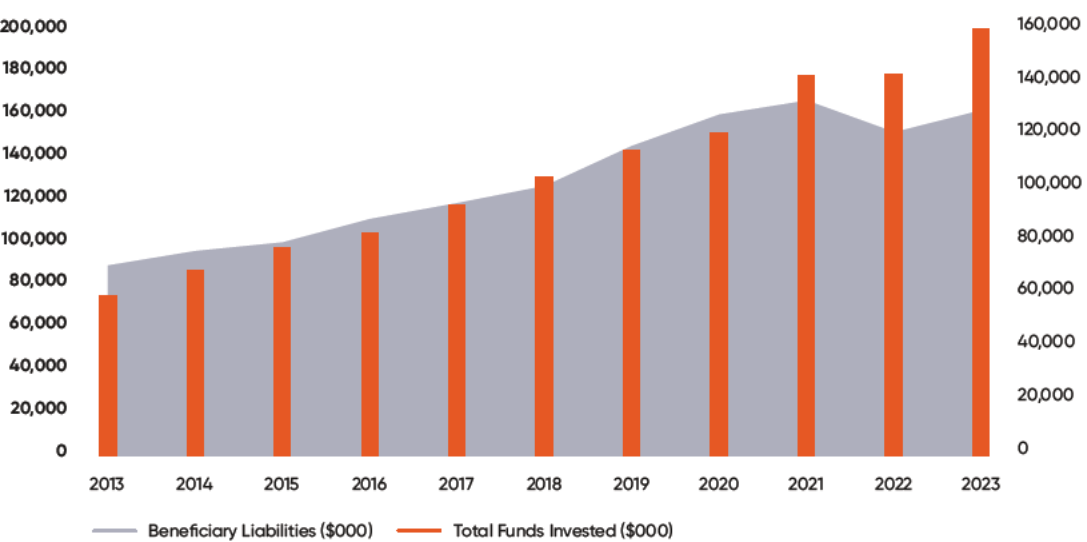
The Board takes a conservative view whereby the 'Assets to Liabilities ratio' must be at least 110% of the Worker Entitlement Liability as per the financial statement but preferably should be 120%. Achieving this level of liability coverage provides a buffer against unexpected market fluctuations and liability valuations. This in turn means that employer contribution rates do not have to be continually adjusted to maintain an appropriate liability coverage and provides certainty for employers.

As flagged in last year's report, during 2023 TasBuild conducted a triennial actuarial review which resulted in an exhaustive review of TasBuild's:

- Employer registrations;
- Worker registrations;
- Financial position;
- Investment portfolio and performance; and
- Industry demographics;

to determine how the fund is positioned in relation to meeting worker entitlement liabilities now and into the foreseeable future. This review highlighted the strong financial position and the opportunities that it presents to TasBuild to support the industry.

## Beneficiary Liability vs Funds Invested



## Asset Liability Management

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 continued to meet or exceed the Board's investment objectives and benchmarks over the long term.

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%);
- 13 different assets classes are utilised;
- Investing in multi-manager investment funds;
- Exposure to unlisted real assets (26.5%); and
- Direct management of a discrete portfolio of investments by TasBuild.

The investment portfolio is constructed in a manner that is cognisant of the liabilities of the scheme which are impacted by changes in wage growth and the discount rate used to value liabilities. Growth assets such as equities and real assets provide returns that are higher than wage growth over time and contribute to increasing surplus assets, while defensive assets such as fixed interest are correlated to changes in interest rates which impact discount rates.



# Chief Executive Officer's Report continued

## Investment Governance and Monitoring

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 is 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 benchmark.

## Investment Objectives

In consultation with the Board, the Investment Committee annually conducts a health check of the Fund's investment objectives. The purpose of the health check is to assess the appropriateness of the current portfolio by questioning whether the investment objectives and current strategic asset allocation remain appropriate and whether there are any new investment ideas that could be considered in the context of TasBuild's business strategy, as well as current macroeconomic factors.

The approved investment objectives are:

- 1. Average weekly ordinary time earnings (AWOTE) + 2% over rolling 5-year periods after investment fees;
- 2. Chance of negative return - 1 in 5 years;
- 3. To outperform the strategic asset allocation (SAA)-weighted benchmark return, comprised of relevant market indices, by 1% p.a. (before investment management fees) over rolling 12-month periods; and
- 4. Achieve and maintain an asset value that is not less than 110% of the financial statement value of liabilities.

No changes were made to the investment return and risk objectives during the period. It was determined that the portfolio remained well-diversified with adequate exposure to floating rate bonds to provide protection against rising rates, whilst still generating growth in the portfolio through exposure to listed equities. The unlisted real assets and private debt allocations then serve to reduce inflation risk.

The Board regularly 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:

Objective	Result	Objective Met
AWOTE + 2% <sup>1</sup> over rolling 5-year periods after investment fees	5 year Portfolio Return after Fees 7.5% 5 year AWOTE + 2% <sup>1</sup> 4.5% Excess Return +3.0%	Yes
Chance of a negative return, 1 in 5 years	1 year Portfolio Return after Fees +11.4% Previous negative return year Since the fund's inception in 2013 the fund has never experienced a negative year	Yes
Outperform SAA benchmark by 1% before fees over rolling 12 month periods	1 year Portfolio Return before Fees +11.9% SAA Weighted Benchmark +11.4% Excess Return +0.5%	Yes
Achieve and maintain an asset value of 110% of liabilities	Asset value – 156% of worker entitlement liability	Yes

<sup>1</sup>AWOTE + 1.5% prior to 1 April 2022

## Portfolio Composition

Mercer makes recommendations as to the appropriate Strategic Asset Allocation (SAA) to achieve the Board's investment objectives. During the year the Board approved a revised SAA for the portfolio following the annual health check performed by Mercer. At the time, forward looking expected investment returns were revised downwards across listed asset classes as valuations remained heightened. The expected returns for fixed interest gradually were on the increase with rates beginning to rise in a bid to quell high inflation. Direct property, unlisted infrastructure and private debt allocations were increased as good defensive hedge against high inflation.

To improve the robustness of the portfolio and the probability of the fund meeting its objectives, a revised portfolio composition was approved and implemented effective 31 January 2023.



Chief Executive Officer's  
Report continued

The table below shows the Board-approved SAA for 2022-2023, compared the SAA for 2021-2022 and the values of each asset class as at 30 June 2023:

MERCER MULTI-MANAGER FUND		Actual (\$)	SAA (%)	Previous SAA (%)	Lower Range (%)	Upper Range (%)
<b>SHARES</b>		<b>42.3%</b>	<b>42.0%</b>	<b>42.0%</b>		
Mercer Australian Shares Plus Fund	41,072,659	20.7%	21.0%	21.0%	5.0%	35.0%
Mercer International Shares Fund	20,061,325	10.1%	9.0%	9.0%	0.0%	20.0%
Mercer Hedged International Shares Fund	11,800,568	5.9%	6.0%	6.0%	0.0%	20.0%
Mercer Global Small Companies Shares Fund	4,849,440	2.4%	2.0%	2.0%	0.0%	10.0%
Mercer Emerging Markets Shares Fund	6,252,372	3.1%	4.0%	4.0%	0.0%	10.0%
<b>REAL ASSETS</b>		<b>26.5%</b>	<b>27.7%</b>	<b>28.0%</b>		
Mercer Australian Direct Property Fund	26,670,770	14.5%	14.5%	12.0%	0.0%	15.0%
Mercer Global Unlisted Infrastructure Fund	22,409,399	12.0%	12.0%	12.0%	0.0%	15.0%
Internally managed property	0	0.0%	1.2%	3.0%	0.0%	5.0%
<b>FIXED INTEREST</b>		<b>26.6%</b>	<b>26.3%</b>	<b>25.0%</b>		
Mercer Global Private Debt Fund	9,231,562	4.6%	5.0%	5.0%	0.0%	10.0%
Mercer Global Credit Fund	6,600,215	3.3%	3.0%	3.0%	0.0%	10.0%
Mercer Emerging Markets Debt Fund	4,927,948	2.5%	2.0%	2.0%	0.0%	10.0%
Mercer Australian Sovereign Bond Fund	14,725,179	7.4%	8.0%	8.0%	0.0%	25.0%
Mercer Australian Inflation Plus Fund	4,500,985	2.3%	2.5%	4.0%	0.0%	10.0%
Internally managed fixed interest	14,390,732	7.2%	5.8%	3.0%	0.0%	7.0%
<b>CASH</b>		<b>5.6%</b>	<b>4.0%</b>	<b>5.0%</b>		
Mercer Cash Fund Term Deposit Units	2,001,561	1.0%	1.0%	1.0%	0.0%	20.0%
Internally managed cash	9,236,375	4.6%	3.0%	4.0%	0.0%	5.0%

Internally Managed Funds

The Board has determined that TasBuild should have a wider goal of contributing to growth of the Tasmanian building and construction industry. The goal is to facilitate construction projects which in turn generates additional employment opportunities, delivers benefits to the broader Tasmanian community and has a positive economic impact for Tasmania. This goal has been pursued through the provision of construction finance for projects that can comply with a rigorous assessment, to ensure the project is financially viable and the developer can provide sufficient security.

Internally managed assets by TasBuild are detailed below:

Investment Options	Asset Allocation %	Valuation at 30 June 2023
Direct Property	0.0	\$0.00 M
Term Deposits & Cash at Bank	39.9	\$9.24 M
Construction Loans	60.1	\$14.39 M
<b>TasBuild Total</b>	<b>100.0</b>	<b>\$23.63 M</b>

Note: TasBuild’s direct property investment was sold in June 2023.

TasBuild is actively working with the managers of the Tasmanian Construction Fund to broaden the pool of developers and construction projects to be supported through the provision of construction finance. This facility is expected to become the primary vehicle for the provision of a pipeline of construction projects for consideration in the future.

Market Performance

Over the course of the year to 30 June 2023 market performance was characterised by high inflation and rising interest rates across the globe. By the year end, inflation appeared to have been somewhat controlled, although there are still concerns regarding a possible hard landing and recession in markets.

Growth assets had a strong year across the board, whilst defensive asset classes such as bonds and credit again suffering due to a prolonged cycle of interest rate rises by central banks. Real assets continued to perform well acting as a good hedge against high inflation.

Overall, the global economy has performed well, supported by factors such as falling energy prices, strong consumer balance sheets and the reopening of the Chinese economy. A modest slowdown is expected into the second half of 2023 as central banks try to strike a delicate balance between fighting inflation and maintaining financial stability.

Some key risks remain, including potential contagion from US regional banks, a resurgence in inflation and a further deterioration in the geopolitical landscape.

Chief Executive Officer's  
Report continued

Portfolio Performance

The investment portfolio returned +11.4% for the year after fees, outperforming its SAA benchmark by 0.1%. The portfolio’s longer term absolute and relative performance is strong, comfortably meeting its investment objectives over 5 and 10 years.

Unhedged asset classes outperformed as the Australian dollar depreciated over the year. Global equities had a strong finish to the 2023 financial year, with the outperformance concentrated in a few US technology names. Real assets continued to lag equities following the US regional banking crisis in March and concerns around financing for commercial real estate. Returns for real assets have been challenged due to their inflation-linked benchmarks but have performed well in terms of absolute return. Real assets are known to be resilient through high inflationary environments due to their inflation-linked returns. Portfolio diversification and investment in markets with different return drivers such as private markets remain a cornerstone of the TasBuild portfolio to deliver results in line with its objectives.

The portfolio’s performance against its benchmark was a good result in a difficult year, exceeding the benchmark by 0.1% after fees, especially when considering the benchmark challenges for the real asset classes such as property and infrastructure. Active management has been challenged again in 2023 during a difficult market environment, however Mercer continues to believe that blending high conviction managers with a range of diversifying return drivers, quality as an investment style and incorporating sustainability should lead to better risk-adjusted returns over a long-term time horizon.

Overall, TasBuild continues to be a in a strong financial position and has delivered solid financial results over the past 10 years. This position of strength has allowed the Board to increase the allocation to unlisted assets overtime, allowing TasBuild to consider ways of continuing to invest in the Tasmanian construction industry to support employment and investment back into the State.

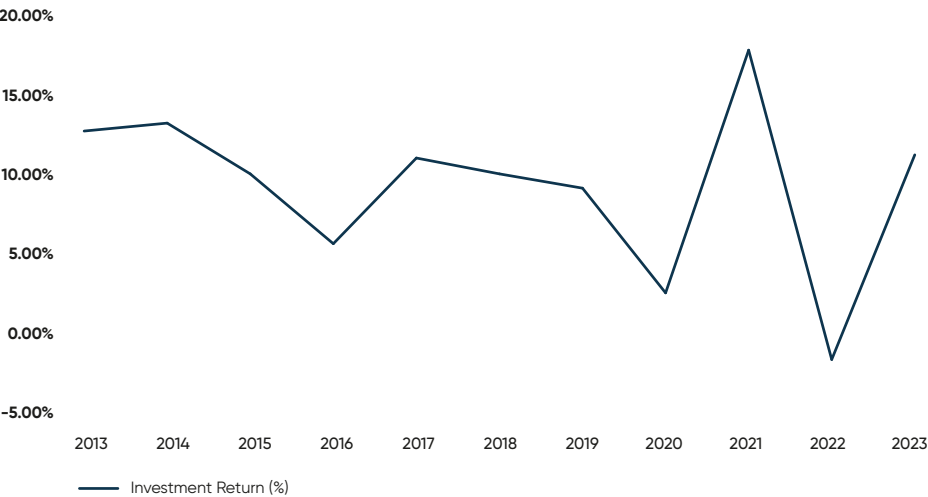
The table below provides an overview of the investment performance against the agreed benchmarks for each asset class as at 30 June 2023:

	FINANCIAL YEAR (%)			THREE YEARS (%)			FIVE YEARS (%)			TEN YEARS (%)		
	Net Return	B'mark	Excess (+/-)	Net Return	B'mark	Excess (+/-)	Net Return	B'mark	Excess (+/-)	Net Return	B'mark	Excess (+/-)
MERCER MULTI-MANAGER FUNDS												
SHARES												
Australian Shares Plus	14.2	14.4	-0.2	11.4	11.1	0.3	6.6	7.1	-0.5	8.6	8.5	0.1
International Shares	21.1	22.6	-1.5	12.7	13.5	-0.8	10.8	11.5	-0.7	-	-	-
Hedged International Shares	15.7	16.6	-0.9	11.0	11.4	-0.4	7.9	8.3	-0.4	-	-	-
Global Small Companies Shares	16.4	16.7	-0.3	11.4	11.7	-0.3	6.4	6.6	-0.2	11.0	11.5	-0.5
Emerging Markets Shares	6.8	5.1	1.7	3.5	3.5	0.0	2.7	3.1	-0.4	6.1	6.3	-0.2
REAL ASSETS												
Australian Direct Property	5.2	11.0	-5.8	9.6	8.4	1.2	8.5	7.4	1.1	9.8	7.9	1.9
Global Unlisted Infrastructure	8.8	12.0	-3.2	12.5	9.4	3.1	11.1	8.2	2.9	11.8	7.1	4.7
FIXED INTEREST												
Global Credit Fund	-0.9	-0.7	0.0	-3.8	-3.8	0.0	0.3	0.3	0.0	2.7	2.7	0.0
Emerging Markets Debt	20.7	15.1	5.6	2.4	-0.3	2.7	3.2	2.4	0.8	2.5	2.7	-0.2
Australian Sovereign Bond	0.7	0.6	0.1	-4.1	-4.2	0.1	0.5	0.4	0.1	2.3	2.2	0.1
Australian Inflation Plus	4.6	8.0	-3.5	4.0	5.4	-1.4	4.3	4.4	-0.1	3.3	3.5	-0.2
CASH												
Mercer Cash – Term Deposit Units	3.0	2.9	0.1	1.1	1.0	0.1	1.4	1.2	0.2	1.9	1.7	0.2
TOTAL FUND	11.4	11.3	0.1	8.9	7.6	1.3	7.5	6.6	0.9	7.6	6.6	1.0

# Chief Executive Officer's Report continued

Our historical investment performance is highlighted in the following graph:

### Investment Performance



One year performance calculated net of investment manager fees as at 30 June each year

### Information Technology

TasBuild has continued to review and update the IT environment with cyber security being a major focus. Being a relatively small organisation, the decision was made to move the core components of our IT infrastructure into the cloud to be managed by 5G Networks (5GN). 5GN is a full-service IT service provision company that has a national presence and by contracting them to host our core infrastructure, we also obtain access to all the up-to-date technology that, usually only a significantly larger company can access, including security of our infrastructure and data.

To further test our IT infrastructure to ensure it is best practice for the services we provide, TasBuild engaged external cyber security experts to undertake a comprehensive review of our IT environment.

External penetration testing was undertaken and the few identified matters of concern have been addressed. A review of TasBuild’s IT operating environment was undertaken of the TasBuild environment as well as a third-party assessment of Formation Technologies. A breach through the use of this software provider would have a major impact on TasBuild’s operations and the risk mitigation is for an expert to undertake cyber security risk assessment. Formation Technologies also see the benefit in a third-party review and has cooperated. A Cyber Security Response Plan has been established so that in the eventuality that TasBuild’s security is breached we will already have a response process that will assist in responding to the breach in a structured, considered and organised approach that should provide the guidance for achievement of the best outcome in a very difficult situation.

The Worker Customer Relationship Management software (wCRM) is the core administration software. This software has been built specifically to administer portable long service schemes and TasBuild has been continuously working closely with the provider and other interstate Funds to improve the functionality of wCRM to achieve better service provision for our workers and employers. A new major upgrade of the software is expected to occur in the next 12 months and preparatory work is ongoing with TasBuild operational processes and staff to help facilitate this major upgrade.

As we embrace and understand the new capabilities wCRM has to offer, consideration will be given to how we can utilise them to enhance the service provided to our workers and employers.

### Bluehats – Suicide Prevention Program

During the year, TasBuild supported an initiative in the workplace called Bluehats.

Statistics show that those working in the construction industry are over 50% more likely to take their own lives. Bluehats is a suicide awareness and prevention program to help construction workers when they are feeling down, experiencing suicidal thoughts or just need someone to talk to. A Bluehat is someone who wants to be part of the solution to mental health, providing support to workers on a site-by-site basis and referring onto other support services where necessary.

Our Field Officer, Janine Martin, is an accredited Roving Bluehats Ambassador visiting sites throughout Tasmania and can be clearly identified by the Blue Hat.

### Human Resources

2022-2023 has been another busy yet productive year for TasBuild staff and once again has seen minimal changes to the staffing structure and roles performed. TasBuild turned 25 in July 2023 after commencing operations on the 1st July 1998, when Tasmania’s Construction Industry Long Service Scheme was transferred from Government control. Upon commencement in 1998 TasBuild had 4.5 full time equivalent staff members where currently the workforce comprises eleven full time and one part time staff member with over 84 years of combined service.

Rebecca Park is the longest serving staff member at TasBuild having commenced not long after the business and will therefore also be celebrating 25 years in December this year. Rebecca has an absolute wealth of knowledge of every facet of TasBuild and needs to be recognised for her extensive service and dedication. Mark Corrigan also celebrated 15 years of service in July 2022 and Kylie McDonald 10 years of service in February 2023 and I would like to congratulate them both on achievement of these milestones and their valued service with TasBuild.

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 2023 the following staff were employed by TasBuild Limited.

Chief Executive Officer	Mark Williams
Operations Manager	Kristy Alexander
Field Officer	Mark Corrigan
Field Officer	Janine Martin
Compliance Officer	James Howatt

# Chief Executive Officer's Report continued

## Operations Team

Worker Entitlements Processing and Service Reviews	Vicky Blizzard
Legal Admin, Debt Management and Unrecorded Service	Juanita Johnson
Employer Returns Management and Entitlement Verification	Kylie McDonald
Registrations, Receipting and Accounts Receivable	Tammie O'Brien
MYOB Accounts Payable and Payroll	Rebecca Park
Reception, Initial Contact for Entitlements and Project Work	Ronda Randall
New ABR Registrations, Receipting and Project Work	Jacqui Singleton

Aside from managing the day-to-day operations of the Fund, staff have also been working very hard on increasing interactions with Employers and Workers including educating them more about the Fund and their legal obligations as well as lifting the profile of TasBuild with all stakeholders in the Construction Industry. On top of this there has been extensive work on business process improvements, implementing new functionality to maximise efficiency for employers and workers in utilising the website portals as well as back of house operations and continued due diligence in the data management and operation of the CRM platform.

With mental health and wellness being a major factor in both personal and work life balances, TasBuild conducted a training session in October 2022 on Mental Health

and Wellbeing in the Workplace, conducted by OzHelp through Lifeline Tasmania.

The primary objective of this training was in regard to the development of a mentally healthy and supportive workplace and increased knowledge of the topic, including looking after your own mental health and seeking help if required. Following on from this a Health and Wellbeing Policy and allowance was approved by the Board and is currently being rolled out.

Position Descriptions were updated for all staff throughout the year as whilst the roles had minimal changes the tasks associated with these roles had seen substantial changes. Performance reviews were also undertaken for the Operations Team and focused on skill development and identifying potential training opportunities to be developed in the new financial year in conjunction with the updated strategic plan focusing on staff engagement, retention and alignment of the core values of TasBuild of Respect, Accountability, Collaboration and Integrity.

I would like to take this opportunity to thank and congratulate the entire team for their dedication, hard work and achievements throughout the last financial year. Also, for their support in welcoming me into the Team at the beginning of this year after the retirement of Michael Irwin, after a three-year tenure at TasBuild.

I look forward to continuing to work closely with our Board of Directors to implement the initiatives identified as part of the strategic plan, to continually improve the operations of TasBuild and build on the strong foundations already in place.

**Mark Williams**  
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 2022-2023 the board met on 6 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 as at 30 June 2023:

## Directors of Tasbuild Limited

### Ms Susan Parr

#### Chair

Susan is a Director of Spirit Super and was previously a Director of Tasplan from 2015 until the fund merged to become Spirit Super. Susan was also the CEO of St Ann's Homes from 1997 to 2016. She's a graduate of the Harvard Business School Program on Negotiation. Susan has over 30 years' experience in leadership positions on a range of boards including Aged and Community Services Tasmania, and was previously Chair of the Tasmanian Chamber of Commerce and Industry.

Appointment 22.04.2022  
Term expires 22.04.2026



The Board continued

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 22.04.2022  
Term expires 22.04.2026

Mr John Short

Representative of the Australian Manufacturing Workers Union

John Short is the 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.

John commenced work with the Australian Manufacturing Workers Union in 2000 in the Unions 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

Mr Michael Bailey

Representative of the Tasmanian Chamber of Commerce and Industry

- Chief Executive Officer, TCCI – 2013
- Director of TasBuild – 2020
- Director of the Tasmanian Jack Jumpers – 2021

Michael has strong business experience across Australia in media, marketing and general management. His expertise in marketing was recognised in the 2009 National Marketing Award by winning “Best New Brand” against major national and international brands.

Michael has led the TCCI to realise its vision and drives a contemporary organisation as the peak employer body in Tasmania. Active at the national level through his activities with the Australian Chamber of Commerce and Industry (ACCI) and the Australian Chamber Alliance, Michael has strengthened the chamber movement in Tasmania through the TCCI’s Regional Chamber Alliance.

Michael is a firm believer that Tasmanian business needs the best possible environment to succeed and provide wealth generation and employment for our community. Michael is committed to making it easy as possible to do business in Tasmania.

Michael is a strong supporter of growing Tasmania’s sporting industry and believes that our state, though small, can compete at the highest levels if given the right opportunities. This proved to be true when in the Jack Jumpers inaugural season of 2022, the team made the Grand Final of the National Basketball League.

Michael is also a keen cyclist and tragic Carlton supporter.

Appointment 20.04.2020  
Term expires 20.04.2024

Mr Kevin Harkins

Representative of the Construction, Forestry, Mining & Energy Union

Kevin Harkins is now retired but was employed by the CFMEU, was a Secretary of Unions Tasmanian, was a 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 undertaken a Directors course with the Australian Institute of Company Directors.

Appointment 16.08.2016  
Re-appointed 22.04.2022  
Term expires 22.04.2026

The Board continued

Mr Michael Anderson

Representative of the Unions Tasmania

Michael is a born and bred Tasmanian, beginning as an apprentice electrician and working for large and small contractors once qualified.

He has been an official with the Communications Electrical and Plumbing Union since 2013, beginning in the construction section, and becoming State Secretary in 2018. He is also the Vice President of the Electrical Trades Union nationally.

Michael’s Union roles have provided a wealth of knowledge in relation to governance and the nature and importance of true industry funds such as TasBuild.

He has undertaken the Australian Institute of Company Directors course, holds a Certificate IV in Health and Safety among other qualifications, and has a wealth of practical site knowledge having worked for a long period on sites and in jobs covered by TasBuild

Appointment 07.12.2017  
Re-appointed 20.04.2020  
Term expires 20.04.2024

Mr Matthew Pollock

Representative Master Builders Association

Matthew is the Chief Executive Officer of Master Builders Tasmania, representing 600+ members and their interests to government and stakeholders.

Matthew has worked as the Chief Economist at Master Builders Australia and prior to that he was a Senior Economist for Deloitte Access Economics and Senior Strategy Consultant with Monitor Deloitte.

Matthew has over 10+ years’ experience working in the building and construction industry, in Australia and overseas. He is an expert in government relations, infrastructure strategy and construction economics.

Matthew has a Bachelor of Economics (1st class honours) from the University of Canberra.

Appointment 22.04.2022  
Term expires 20.04.2026

Directors' Report

The Directors of TasBuild Limited submit herewith the financial report for the financial year ended 30 June 2023.

The Directors who held office during the reporting period were:

Director	Appointed	Ceased
Michael Shepperd	21 April 1998	
Kevin Harkins	16 August 2016	
Michael Anderson	7 December 2017	
John Short	19 July 2019	
Michael Bailey	20 April 2020	
Susan Parr	29 April 2022	
Matthew Pollock	22 April 2022	

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.

Principal Activities

TasBuild’s principal 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 those activities.

Review & Results of Operation

The net profit/(loss) of the company for the financial year was \$13,140,000 which is a 26.3% increase as compared with that of the prior year (2022: \$10,404,000).

Dividends

No dividend was paid or declared during the financial year, which is consistent with the 2022 financial year.

Director's Report  
continued

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.

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 11.4 FTE employees as at 30 June 2023 (2022: 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

Director	Eligible to Attend	Attended
Michael Shepperd	6	6
Kevin Harkins	6	5
Michael Anderson	6	5
John Short	6	5
Michael Bailey	6	5
Susan Parr	6	6
Matthew Pollock	6	4

Information on 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 appointed 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.

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

Susan Parr is a graduate of the Harvard business School Program on Negotiation. She is a director of Spirit Super and previously CEO of St Ann's Homes. She was previously chair of Tasmanian Chamber of Commerce and Industry. She is now the Independent Chair of the Board.

Matthew Pollock is an executive director of The Master Builders' Association of Tasmania Inc.

Company Secretary

The following persons held the position of company secretary during the reporting period:

	Appointed	Ceased
Michael Irwin	27 April 2020	1 March 2023
Mark Williams	1 March 2023	

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



Susan Parr  
Chair



Michael Anderson  
Director

Dated this day of 18th September 2023

# Primary Statements

## Statement of Comprehensive Income for the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>Revenue</b>			
Contributions Accrued Liability	1(k)	1,321	1,581
Monthly/Quarterly Contributions	1(k)	17,263	15,533
Gain/(Loss) on Financial Assets	2	19,209	(4,327)
Income from Property		161	213
Gain on Disposal of Assets		4	12
Miscellaneous Income		78	31
<b>Total Revenue</b>		<b>38,036</b>	<b>13,043</b>
<b>Expenses</b>			
Long Service			
Benefits Paid to Members	19	14,844	12,715
Increase/(Decrease) in Liability to Beneficiaries		7,598	(12,428)
Administration			
Salaries and Associated Expenses		1,260	1,023
General Administration Expenses	3(a)	1,072	965
Other Expenses			
Bad Debts		3	254
Depreciation / Amortisation	3(b)	119	110
<b>Total Expenses</b>		<b>24,896</b>	<b>2,639</b>
<b>Net Current Year Profit</b>		<b>13,140</b>	<b>10,404</b>
<b>Other Comprehensive Income</b>			
		-	-
<b>Total Comprehensive Income for the year</b>		<b>13,140</b>	<b>10,404</b>
<b>Net Profit Attributable to Members of TasBuild Limited</b>		<b>13,140</b>	<b>10,404</b>

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 2023

	Note	2023 \$'000	2022 \$'000
<b>Assets</b>			
Cash and Cash Equivalents	5	6,009	3,943
Accounts and Other Receivables	6	3,581	3,768
Financial Assets	7	193,461	171,992
Right-of-Use Assets	8	80	161
Plant & Equipment	9	153	159
Investment Property	10	-	2,560
Intangible Assets	11	11	9
<b>Total Assets</b>		<b>203,295</b>	<b>182,592</b>
<b>Liabilities</b>			
Accrued Charges	18	108	43
Lease Liabilities	8	84	164
Provision for Employee Benefits	12	145	169
Accrued Long Service Leave Benefits Liability	19	130,048	122,446
<b>Total Liabilities</b>		<b>130,385</b>	<b>122,822</b>
<b>Net Assets</b>		<b>72,910</b>	<b>59,770</b>
<b>Equity</b>			
Retained Earnings		72,910	59,770
<b>Total Equity</b>		<b>72,910</b>	<b>59,770</b>

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 2023

	Retained Earnings \$'000
As at 30 June 2021	49,366
Other Comprehensive Income	–
Profit for the Year	10,404
As at 30 June 2022	59,770
Other Comprehensive Income	–
Profit for the year	13,140
As at 30 June 2023	72,910

This Statement of Changes in Equity should be read in conjunction with the notes to and forming port of the financial statements.

Statement of Cash Flows  
for the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash Flows from Operating Activities			
Receipts from Contributors		18,807	19,463
Other Receipts		239	444
Interest Received		1,335	993
Payments to Suppliers and Employees		(2,322)	(2,374)
Liability to Beneficiaries		(14,844)	(12,715)
Net Cash Flows from / (used in) Operating Activities	17	3,215	5,811
Cash Flows from Investing Activities			
Proceeds on Sale of Property, Plant & Equipment		27	33
Proceeds on Sale of Investment Property		4,638	–
Purchase of Property, Plant & Equipment		(58)	(101)
Purchase of Financial Assets		(5,673)	(3,622)
Net Cash Flows from / (used in) Investing Activities		(1,066)	(3,690)
Cash Flows from Financing Activities			
Repayment of Lease Borrowings		(83)	(82)
		(83)	(82)
Net Increase / (Decrease) in Cash and Cash Equivalents		2,066	2,039
Cash and Cash Equivalents at Beginning of the Period		3,943	1,904
Cash and Cash Equivalents at End of the Period	5	6,009	3,943

This Statement of Changes in Equity should be read in conjunction with the notes to and forming port of the financial statements.

# Notes 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 in 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) Plant and Equipment

All items of Plant and Equipment are stated at cost less accumulated depreciation and any impairment in value.

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	2023	2022
Furniture and Fittings & Office Equipment	12-27%	12-27%
Motor Vehicles	20%	20%
Computer Equipment	27%	27%

### Impairment

The carrying values of 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, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

### (d) 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.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

# Notes to the Financial Statements

## For the year ended 30 June 2023

### 1. Summary of Significant Accounting Policies

continued

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**(e) Financial Instruments**

*Initial recognition and measurement*

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

Financial instruments (except for trade receivables) 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.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient has been applied as specified in AASB 15.63.

*Classification and subsequent measurement*

*Financial Liabilities*

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at fair value, amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer’s credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

*Financial Assets*

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

On the basis of the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income’s measurement condition are subsequently measured at fair value through profit and loss.

Notes to the Financial Statements  
For the year ended 30 June 2023

1. Summary of Significant Accounting Policies  
continued

The Company initially designates financial instruments as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance to the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of an entity of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity Instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the entity made an irrevocable election to measure the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit and loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the entity’s accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the Company’s contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;

- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment’s revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets;
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company used the following approaches to impairment, as applicable under AASB 9:

Purchased or originated credit-impaired approach

For a financial asset that is considered to be credit impaired (not on acquisition or originations), the Company measured any change in its lifetime expected credit loss as the difference between the asset’s gross carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate. Any adjustment was recognised in profit or loss as an impairment gain or loss.

(f) 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.



Notes to the Financial Statements  
For the year ended 30 June 2023

1. Summary of Significant Accounting Policies  
continued

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.

(g) 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 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% (2022: 25%).

(h) 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 are recognised as part of the current liability in note 12. 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 note 12, 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.

(i) 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.

(j) 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.

(k) Revenue and Other Income

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 1 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.

(l) 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.

(m) 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 liability within accrued charges with the amounts normally paid within 30 days of recognition of the liability.

Notes to the Financial Statements

For the year ended 30 June 2023

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.

(n) 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 liability within accrued charges.

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.

(o) Comparative figures

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

(p) 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 considers assumptions of the rates of departure from the industry, mortality rates, increases in wages and rates of return on investments.

(q) Subsequent Events

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

	2023 \$'000	2022 \$'000
<b>2. Income from Financial Assets</b>		
<b>(a) Domestic Market</b>		
Interest Income	1,335	993
<b>(b) Funds Held by Fund Managers</b>		
Unrealised Gain/(Loss)	15,796	(5,320)
<b>(c) Sale of Investment Properties</b>		
Gain on disposal	2,078	–
<b>Total Income from Financial Assets</b>	<b>19,209</b>	<b>(4,327)</b>

3. Expenses

<b>(a) General Administration Expenses</b>		
Postage	17	20
Telephone	12	12
Printing and Stationery	25	25
General Expenses	198	130
Consultancies	43	37
IT Expenses (excluding depreciation)	226	233
Board Members' Allowances	161	121
Audit Fees	26	15
Vehicle Expenses (excluding depreciation)	23	19
Legal Expenses	281	306
Actuarial Services	37	21
Advertising and Promotion	23	26
<b>Total General Administration Expenses</b>	<b>1,072</b>	<b>965</b>
<b>(b) Depreciation / Amortisation</b>		
Office Equipment	6	4
Motor Vehicles	26	18
Computer Equipment	6	7
Furniture and Fittings	1	1
Office Lease	80	80
<b>Total Depreciation</b>	<b>119</b>	<b>110</b>

## Notes to the Financial Statements

### For the year ended 30 June 2023

	2023 \$'000	2022 \$'000
<b>4. Auditor's Remuneration</b>		
Amounts received or due and receivable by WLF Accounting & Advisory for:		
Audit and review of the financial report of TasBuild Limited	17	16
Other services performed	–	–
<b>Total Auditors Remuneration</b>	<b>17</b>	<b>16</b>

### 5. Cash and Cash Equivalents

	2023 \$'000	2022 \$'000
Cash at bank and in hand	6,009	3,943

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.

	Note	2023 \$'000	2022 \$'000
<b>6. Trade and Other Receivables</b>			
<b>Current</b>			
Trade Receivables	6(a)	3,766	4,142
Provision for Impairment	6(b)	(500)	(500)
Accrued Interest		282	126
Prepayments		36	–
GST Payable		(3)	–
<b>Total Current Trade and Other Receivables</b>		<b>3,581</b>	<b>3,768</b>

**(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.

**(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.

	Note	2023 \$'000	2022 \$'000
<b>7. Financial Assets</b>			
Term Deposits	7(b)	3,950	2,800
Funds under Management	7(a)	175,104	157,309
Loans Receivable	7(b)	14,391	11,867
Bond – Office Lease	7(a)	16	16
<b>Total Investments</b>		<b>193,461</b>	<b>171,992</b>

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

Funds Under Management	175,104	157,309
Bond – Office Lease	16	16
	<b>175,120</b>	<b>157,325</b>

**(b) Financial Assets at Amortised Cost**

Term Deposits	3,950	2,800
Loans Receivable	14,391	11,867
	<b>18,341</b>	<b>14,667</b>

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 fair value through profit and loss.

## Notes to the Financial Statements

For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>8. Right-of-Use Assets</b>			
Right of Use Asset		241	241
Less Accumulated Amortisation		(161)	(80)
<b>Total Right-of-Use Assets</b>	<b>8(a)</b>	<b>80</b>	<b>161</b>
<b>(a) Movements in Carrying Amounts</b>			
Carrying amount at beginning		161	–
Additions		–	241
Amortisation expense		(81)	(80)
Carrying amount at end		80	161
<b>Lease Liability</b>			
Current		84	80
Non-Current		–	84
<b>Total Lease Liability</b>		<b>84</b>	<b>164</b>
<b>9. Plant and Equipment</b>			
Office Equipment at cost		16	15
Less Accumulated Depreciation		(12)	(10)
	9(a)	4	5
Motor Vehicles at cost		159	152
Less Accumulated Depreciation		(37)	(32)
	9(a)	122	120
Computer Equipment at cost		77	77
Less Accumulated Depreciation		(60)	(54)
	9(a)	17	23
Furniture and Fixtures at cost		35	35
Less Accumulated Depreciation		(25)	(24)
	9(a)	10	11
<b>Total Plant and Equipment</b>		<b>153</b>	<b>159</b>

	Note	2023 \$'000	2022 \$'000
<b>(a) Movements in Carrying Amounts</b>			
<i>Office Equipment</i>			
Carrying amount at beginning		5	5
Additions		1	1
Depreciation expense		(2)	(1)
Carrying amount at end		4	5
<i>Motor Vehicles</i>			
Carrying amount at beginning		120	80
Additions		51	78
Disposals		(23)	(20)
Depreciation Expense		(26)	(18)
Carrying amount at end		122	120
<i>Computer Equipment</i>			
Carrying amount at beginning		23	20
Additions		–	10
Depreciation expense		(6)	(7)
Carrying amount at end		17	23
<i>Furniture and Fixtures</i>			
Carrying amount at beginning		11	11
Additions		–	1
Depreciation expense		(1)	(1)
<b>Carrying amount at end</b>		<b>10</b>	<b>11</b>

## 10. Investment Property

Balance at Beginning of year	2,560	2,560
Disposals	(2,560)	–
<b>Balance at end of year</b>	<b>–</b>	<b>2,560</b>

The Company's investment properties, which consisted of twelve units in Latrobe rented out in accordance with the Private Rental Incentives Scheme (PRIS), were sold to Homes Tasmania in June 2023.



## Notes to the Financial Statements

### For the year ended 30 June 2023

#### 11. Intangible Assets

	Note	2023 \$'000	2022 \$'000
Computer Software at cost		28	22
Less Accumulated Depreciation	11(a)	(17)	(13)
		11	9

##### (a) Movements in Carrying Amounts

###### Computer Software

Carrying amount at beginning	9	1
Additions	6	10
Depreciation Expense	(4)	(2)
<b>Carrying amount at end</b>	<b>11</b>	<b>9</b>

#### 12. Provision for Employee Benefits

Current	127	153
Non-Current	18	16
<b>Total Provision for Employee Benefits</b>	<b>145</b>	<b>169</b>

#### 13. Segment Reporting

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

	2023 \$'000	2022 \$'000
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#### 14. Related Party Transactions

##### (a) Directors and Key Management Personnel Remuneration

Short-term benefits	255	175
Post-employment benefits	49	22
	304	197

##### (b) Other Related Parties

Fees paid to the bodies which nominate a Director:	79	58
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For all Directors of TasBuild, excluding the Chairman, Directors' fees are paid directly to the body which nominates the Director.

#### 15. Contingent Assets and Contingent Liabilities

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

#### 16. Events after the Reporting Period

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

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

	2023 \$'000	2022 \$'000
Net Profit / (Loss)	13,140	10,404
<i>Adjustments for:</i>		
(Profit)/Loss on Sale of Plant and Equipment	(4)	(12)
(Profit)/Loss on Sale of Investment Properties	(2,078)	–
Reinvestment of Financial Asset Income	(15,796)	5,320
Depreciation	39	29
Amortisation of Right-of-Use Asset	81	80
Interest on Lease Liability	3	5
<i>Changes in Assets and Liabilities</i>		
(Increase)/Decrease in Receivables and Other Assets	223	2,549
(Increase)/Decrease in Prepaid Expenses	(36)	–
Increase/(Decrease) in Employee Provisions	(24)	49
Increase/(Decrease) in Liability to Beneficiaries	7,602	(12,428)
Increase/(Decrease) in Other Liabilities	65	(185)
<b>Net Cash Increase/(Decrease) from Operating Activities</b>	<b>3,215</b>	<b>5,811</b>

Notes to the Financial Statements  
For the year ended 30 June 2023

18. 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	10.4%
Australian Shares	21.2%
Overseas Shares	22.2%
Property and Infrastructure	32.8%
Bonds	13.4%

Investment strategies have been developed by the Trustee to manage the Fund’s investments which aim to build on the surplus funds 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 most 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	10.4%
Australian Shares	21.2%
Overseas Shares	22.2%
Property and Infrastructure	32.8%
Bonds	13.4%

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 2023

18. 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 2023. 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.

Most 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial Liabilities				
Accrued Charges	108	43	108	43
Total	108	43	108	43

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 2023

19. Accrued Long Service Benefits Liability

Long Service Benefits Liability Verified by Actuary

A significant factor impacting the Fund’s provision during 2022/23 has been the unwinding of discounting which has added \$5.5m. Other significant factors have been the accrual of new service days and the benefits paid to members. New accrual of service has added \$13.5m to the provision, while benefits paid during the year have reduced the provision by \$14.8m.

	2023 \$'000	2022 \$'000
Current	15,290	13,162
Non-Current	114,758	109,284
<b>Total Accrued Long Service Benefits Liability</b>	<b>130,048</b>	<b>122,446</b>

Movement in Provision

Value of provision at start of period	122,446	134,874
Allowance for administration at start of period	(3,500)	(3,600)
	<b>118,946</b>	<b>131,274</b>
Change in provision due to:		
– Unwinding of interest / discounting	5,465	1,874
Impact of benefit accrual and payments		
– New accrual of service days accrued in period	13,503	18,018
– Benefits paid to members in period	(14,844)	(12,715)
– Change in provision for self-employed workers	131	207
Economic Factors		
– Change in discount rate	(3,377)	(25,802)
– Change in assumed future wage inflation rate	1,063	8,558
– Wage increases higher than assumed	4,322	2,680
Demographic Factors		
– Change in demographic assumptions	–	(8,605)
– Other Factors	1,239	3,457
	<b>126,448</b>	<b>118,946</b>
Allowance for administration	3,600	3,500
<b>Value of provision at end of period</b>	<b>130,048</b>	<b>122,446</b>

Actuarial Statement

We have carried out an investigation of the fund as at 30 June 2023 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 \$130.048 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: 17 August 2023

20. Entity Details

The registered office of the Company 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
  - a. Give a true and fair view of the financial position of the Company as at 30 June 2023 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.



Susan Parr  
Chair

Date: 18.9.2023



Michael Anderson  
Director

Date: 18.9.2023



**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 2023 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.



WISE LORD & FERGUSON



REBECCA MEREDITH  
Partner

Dated: 18/09/2023





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 2023, 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 2023 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 2023 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



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 2023, 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.

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- 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 2023 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



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 2023 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.

*Wise Lord & Ferguson*

WISE LORD & FERGUSON

*Rebecca Meredith*

REBECCA MEREDITH  
Partner

Date: 19/09/2023





## 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 2023, 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 2023 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 2023 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.

*Wise Lord & Ferguson*

WISE LORD & FERGUSON

*Rebecca Meredith*

REBECCA MEREDITH  
Partner

Date: 19/09/2023



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 2023, 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 2023 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 2023 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 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.

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- 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.

*Wise Lord & Ferguson*

**WISE LORD & FERGUSON**

*Rebecca Meredith*

**REBECCA MEREDITH**  
Partner

Date: 19/09/2023

