



Annual Report

2023-24

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Chair's Report

I am pleased to provide the Chair's Annual Report for TasBuild Limited for the Financial Year ending 30th June 2024.

This year has been busy and challenging with an increased focus on culture, performance, and engagement with our customers. The feedback has been encouraging and we will continue in our efforts to continuously improve our customer service. In addition, we have had two major changes on the Board. John Short (AMWU) and Matthew Pollock (Master Builders Tasmania) have retired and resigned respectively, and we thank them for their strong contributions to the work of the Board.

As you can see, we have moved to our new premises to enhance our working environment and productivity as well as improve the visibility of TasBuild.

In addition, we are implementing plans for our future permanent home.

The Board has been focusing on the experience, fairness, and equity of the provisions of our current rules and is committed to achieving this in a transparent and predictable manner, whilst taking advice from our legal advisers and our Actuary to ensure future viability. The Board is conscious that some of the Rules establishing TasBuild are not consistent with Best Practice or contemporary standards of governance. We continue to work with Page Seager and Government representatives as well as Members of Parliament to heighten awareness of the shortcomings in the legislation.

Our financial performance is strong and is closely watched by the Investment Committee and the Board. We are aided in this by our Investment Consultants, Mercer.

The year has been marked by steady progress towards the agreed aims of the TasBuild Board. This has been achieved by thoughtful contributions from the Board and creative and robust debate. Of course, nothing gets done, without the efforts of our CEO, Mark Williams, who is supported by his team of staff, who also provide input to Board discussions.

I would like to thank Mark Williams for his consistent and knowledgeable support and insights for the Board and express my appreciation to all our staff who keep things moving and identify opportunities for improvement.

To my fellow Directors, thank you for your support and energy in moving TasBuild forward.

Susan Parr
Independent Chair

Chief Executive Officer's Report

Welcome to the TasBuild Annual Report for the year ended 30 June 2024. It has certainly been a year of change with a record number of entitlements being paid to workers, TasBuild relocating to a new location in the Hobart CBD, some significant changes to the Fund Rules that improve a worker's accessibility to an entitlement, an overall reduction in compliance costs, two new Board members and further growth in assets to \$220 million.

As with every year, 2023/2024 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:

- Continued disputes with employers around coverage, although this has been alleviated somewhat by the successful outcome in *TasBuild Limited v Ron Gee Enterprises* in the Supreme Court which has provided a significant piece of case law to guide other disputes;
- Continued impacts of the rising cost of living and the costs of materials and labour;
- A gradual slowdown in construction;
- Tight labour market;
- The continued presence of 'sham contracting';
- Economic headwinds for Tasmania;
- Stubborn inflation numbers that have led to increases in the cash rate and a reluctance to ease monetary policy, although there are signs that this is gradually changing globally; and

- The above issues impacting on worker productivity.

In April 2024, TasBuild moved office for the first time in almost 10 years to a more prominent and contemporary office environment in Emily Dobson House on the ground floor of 99 Bathurst Street. The move to a more central CBD location has resulted in an improved environment for staff whilst remaining accessible to both workers and employers. We invite you to come and visit us in our new office location.

In February 2024 we had a couple of changes at Board level with TasBuild farewelling Mr John Short who stepped down as the nominee for the Australian Manufacturing Workers Union. John first joined the Board of TasBuild back in August 2010 after moving to Tasmania earlier that year. Thank you to John for his longstanding contribution to TasBuild which has seen the Fund grow from \$58 million to over \$200 million during his tenure. John has been replaced on the Board by Mr Jacob Batt, who has been a union official with the AMWU since 2014 and is currently acting State Secretary of the Tasmanian Branch. Welcome to TasBuild Jacob!

Another change was Mr Matthew Pollock resigning his position as a nominee of Master Builders Tasmania and making a move to Western Australia to take up the role as CEO of Master Builders WA. Matthew was replaced on the TasBuild Board by incoming CEO of Master Builders Tasmania, Mr David Clerk. I would like to take this opportunity to thank Matthew for his contribution during his time on the TasBuild Board and wish him all the best in his new role. David brings with him a wealth of governance experience from his previous roles and we look forward to working with him in further developing the strategy for TasBuild.

Rule Changes

During the year the Board resolved to make some changes to the Rules of TasBuild that would improve a worker's entitlement, making accessibility to an entitlement easier and more contemporary. The first change was to introduce a 7-year pro rata entitlement upon leaving the industry. This has enabled a number of workers to gain access to an entitlement that they may not have otherwise been able to. This has been a significant factor in the increase in entitlements paid for the 2023/2024 year.

The second major change to the Rules was the recent amendment to the Abnormal Wage Variance rule which was relaxed from 10% to 15%. This reduced the number of workers that had their entitlement impacted by significant wage increases.

This particular rule is currently being reviewed further and any changes will be communicated in the employer newsletter and the TasBuild website.

In the past 12 months we witnessed a challenging first quarter followed by a strong rebound in markets, which has helped further improve the financial position of TasBuild. The investment strategy was reviewed by the Investment Committee and Board in November 2023 and the Fund is still focused on the long term and recognises that there may be periods of negative performance. The Board has chosen to retain a diversified portfolio to lessen the severity of any investment market downturn. The 1-year return to 30 June 2024 was 8.6% net of fees, which underperformed the benchmark return by 0.7% for the year, whilst the longer term return over 10 years was +7.5% pa net of all costs (0.8% pa ahead of the benchmark return).

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 2024 the liability coverage was 144% which exceeds the Board's target of 120% and demonstrates that the Fund remains in a sound financial position to withstand any market downturn and ensure entitlements are able to be paid. There was an increase in the accounting provision following the Board deciding in October 2023 to introduce a 'Leaving the Industry' provision to enable a worker to claim a pro rata entitlement after 7 years if they cease relevant employment.

Corporate Governance

The Board Members and their meeting attendance for 2023 – 2024 is detailed below:

TITLE	NOMINATING ORGANISATION	MEETING ATTENDANCE	
		Board Meeting	Investment Committee
Chair			
Susan Parr	TasBuild Board	6 of 6	5 of 5
Directors			
John Short	AMWU (resigned 29/2/2024)	3 of 3	n/a
Jacob Batt	AMWU (appt. 29/2/2024)	3 of 3	n/a
Matthew Pollock	MBT (resigned 29/2/2024)	1 of 3	n/a
David Clerk	MBT (appointed 29/2/2024)	3 of 3	n/a
Kevin Harkins	CFMEU	6 of 6	n/a
Michael Anderson	CEPU	6 of 6	5 of 5
Michael Shepperd	BISCO	6 of 6	n/a
Michael Bailey OAM	TCCI	5 of 6	3 of 5

The Board met on six occasions throughout the financial year and participated in four 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, Mr John Mazengarb. 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.

As can be seen from the above figures, total employer and employee numbers have plateaued over the past 12 months. This is reflective of the environment that was identified in last year's report where we indicated that the pipeline of projects was limited and economic outlook was starting to look challenging for the construction industry. A demonstration of the real benefit of a portable long service fund is the continued growth in entitlement payments.

Last year there was growth of 22.3% and this year has seen further growth in entitlement payments of 8.9% to another record. Over the last 12 months this has placed over \$17.7 million (up by 22.6%) 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.

Operational Overview

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

Contributing Employers - 0.0%

Current Workers ↓ 0.3%

Entitlements Paid ↑ 8.9%

Contributions ↑ 17.3%

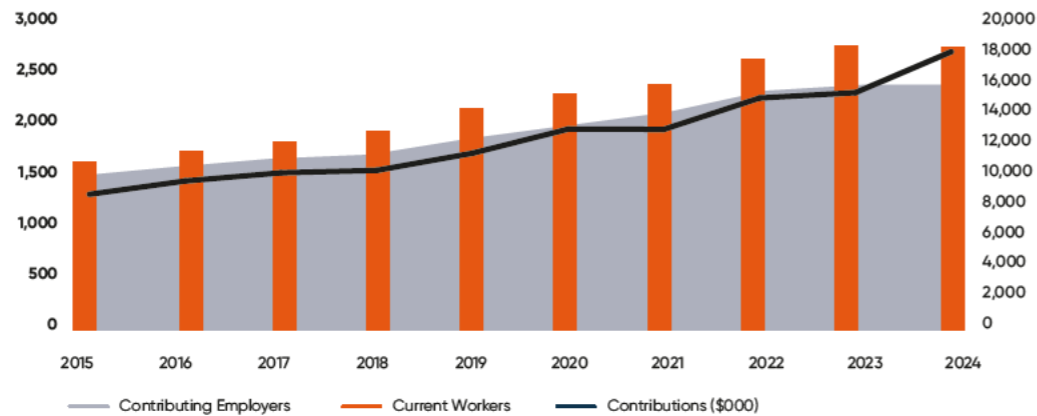
Investments ↑ 8.6%

Cost of administration as % of assets ↓ 5.1%

Chief Executive Officer's Report continued

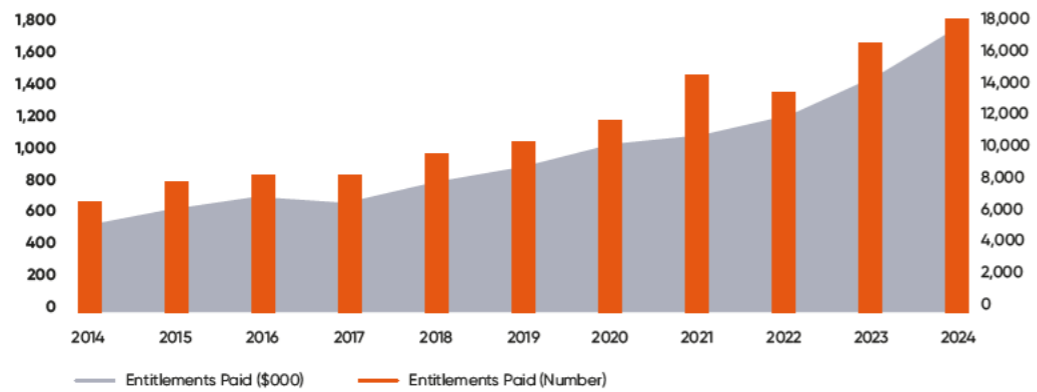
The trends to date over key areas are detailed below.

Contributing Employers and Current Workers



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employers	1,529	1,620	1,703	1,744	1,903	2,033	2,163	2,377	2,437	2,437
Workers	11,232	11,934	12,602	13,330	14,774	15,773	16,375	18,103	18,975	18,921
Contributions	8,958	9,847	10,393	10,557	11,702	13,314	13,298	15,392	15,749	18,480

Entitlements Paid



Entitlements Paid	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Number	672	793	837	834	967	1,040	1,166	1,450	1,343	1,643	1,789
\$000	5,164	6,204	7,000	6,632	7,886	8,829	10,204	10,747	11,980	14,441	17,701

The strength of the industry over the past decade is clearly demonstrated by the growth over that period for contributing employers at 59.3%, current workers at 68.4% 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 workers receiving \$17.7 million over the past year. 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 and how to lodge a claim. We still have a relatively large number of workers that have an entitlement that is just sitting there waiting to be claimed. TasBuild will be reaching out to those workers to ensure that they are aware this is the case.

As always employer compliance remains an ongoing focus with our staff working hard 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. However, there are always some employers that fail in their obligations that requires TasBuild to attempt to work with those employers to rectify the situation. Compliance activity comes with significant costs and over the last 12 months the compliance costs have exceeded \$200,000, albeit down from the prior year (down by over \$45,000).

The TasBuild team is always working to improve the levels of compliance and use a number of tools in an attempt to identify new entrants into the industry and this is often assisted by current employers and workers.

TasBuild moves office

As mentioned in the introduction, on the 15th April 2024, TasBuild moved office to a new location on the Ground floor of 99 Bathurst Street, Hobart. This is a more prominent and central location for staff and stakeholders and takes TasBuild on the next step in its journey. Should you require any assistance please come and visit us in the new location.

Strategic Direction

Following a workshop held in May 2023, a new Strategic Plan was developed to align the Board and staff on the purpose of the organisation and consider the strategic direction.

From that the following Strategic objectives were identified:

1. Delivering efficient and effective services for workers and employers in the construction industry;
2. Building organisational culture and capability;
3. Developing an investment strategy that further supports the industry;
4. Being the service provider of choice for Portable Long Service Leave in Tasmania; and
5. Becoming a true industry participant seeking to raise the profile of TasBuild.

Chief Executive Officer's Report continued

During the financial year, the following activities have been undertaken in relation to each objective:

1. Delivering efficient and effective service for workers and employers in the construction industry

- On the 19th October 2023, a new Rule was introduced to allow workers to claim a pro rata entitlement after 7 years when leaving the industry. This had the effect of relaxing the Rules somewhat where previously a worker could only obtain a pro rata entitlement if they satisfied stringent evidentiary requirements.
- For claims under illness or incapacity, the evidentiary requirements were relaxed. Previously a specialist medical certificate was required, along with waiting a two month 'prescribed period'. This has been changed to a medical certificate from a GP, stating that the worker is permanently prevented from returning to work in the construction industry.
- Provision for pro rata entitlements for domestic or other pressing necessity were removed as this was superseded by the 'leaving the industry provision'.
- Upon retirement, workers are no longer required to provide evidence of retirement. The only qualification required is the termination of employment after age 55.
- On the 29th February 2024, the Board increased the threshold for the abnormal wage variances from 10% to 15% in a move to reduce the administrative impact of the Rule and to improve worker entitlements.
- Workers can now apply for their entitlements online through the Worker Portal at www.tasbuild.com.au

- TasBuild will be working on adding further functionality to make it easier for employers and workers to manage their TasBuild accounts.
 - 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.
- ### 2. Building organisational culture and capability;
- Following some staff departures due to retirement, we have restructured a number of roles within TasBuild which enabled some efficiencies to be identified as well as identifying areas where further resourcing may be required.
 - The move of office has changed the working environment for staff with most staff now operating within an open plan environment which has been more conducive to effective communication and a willingness from all staff to contribute. The staff are to be commended for how well they have adapted to the new environment.
 - Annual performance reviews have been held with all staff and this has helped identify some professional development opportunities for staff and training plans will be formulated for each staff member in the coming 12 months. The TasBuild Board are very supportive of providing staff the opportunities to further their development.
 - Staff participated in the bargaining process for a new Enterprise Agreement due to commence in the new financial year.

3. Developing an Investment Strategy that further supports the industry

- The TasBuild Board will seek opportunities to further invest in projects in Tasmania that will provide employment opportunities in the State's construction industry.
 - TasBuild will also seek like-minded investors to collaborate with through the growth of the Tasmanian Construction Fund. As at 30 June 2024, TasBuild has invested \$17.5m into the Fund that has financed projects at Bridgewater as part of the construction of the new Bridgewater Bridge. Further investment is currently being considered.
 - TasBuild have purchased a property at 240-244 Murray Street in Hobart which it is seeking to develop into market leading office accommodation (subject to approvals).
- ### 4. Being the service provider of choice for Portable Long Service Leave in Tasmania
- TasBuild has continued to build capability in the administration of long service leave in the construction industry and works closely with scheme providers interstate that have expanded their schemes into new industries.
 - TasBuild has recommended engagement with the relevant stakeholders to explore the expansion of portable long service leave in Tasmania into other industries, including aged care, community services, cleaning and security.

- 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. Becoming a true industry participant

- TasBuild is looking to continue to support stakeholders in the construction industry as well as looking for new ways to engage with workers and employers.
- TasBuild is a strong participant in AusLeave which is a group from all of the State-based schemes around Australia that come together on a regular basis to discuss issues facing the industry.

Investments and financial performance

The return on investments for the year was 8.6%, whilst at the same time the Fund's worker entitlement payments increased by 22.6%. During the course of the year the actuarial assumptions were updated to reflect the Rule changes and some minor adjustments to the discount rate and expense assumptions. This has resulted in the liability coverage decreasing from 156% at 30 June 2023 to 144% at the end of June 2024, well above the 120% target.

The Fund continues to be in a strong position and the surplus has allowed the Board to further increase the portfolio's allocation to fund Tasmanian construction projects which is important as the pipeline of development slows.

Chief Executive Officer's Report continued

Financial

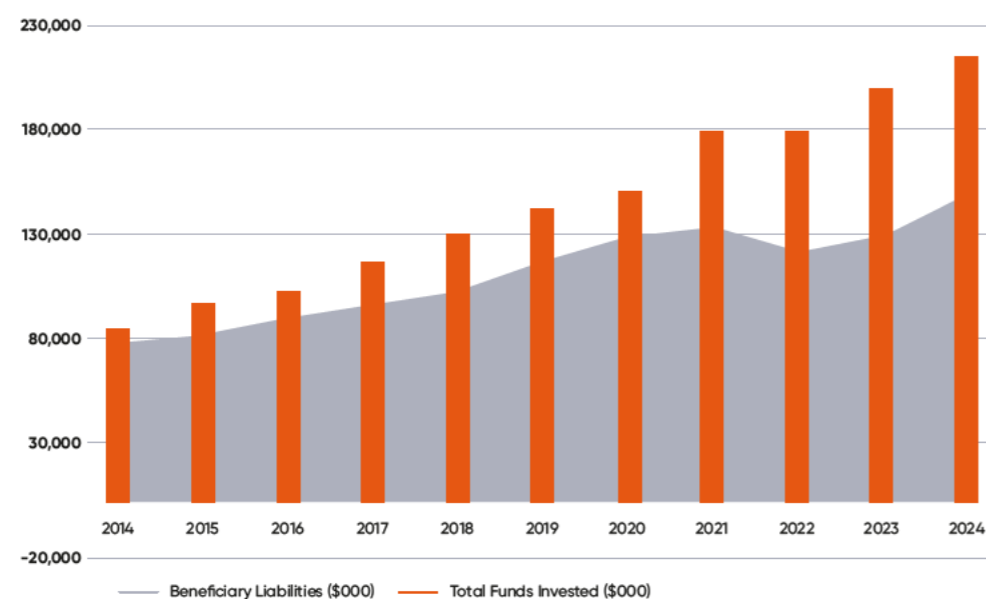
The movement for the year in investment and liability related figures is detailed below:

Investments	June 2020	June 2021	June 2022	June 2023	June 2024
Total Assets (\$000)	154,785	184,889	183,091	203,295	220,350
Total Funds Invested (\$000)	146,022	177,685	178,165	199,470	215,615
Actuarial Liability (\$000)	128,439	134,874	122,446	130,048	151,076
Assets/Liabilities Coverage (%)	119.3%	137.0%	149.0%	155.9%	144.5%

The Board takes a conservative view whereby the 'Assets to Liabilities ratio' must be at least 110 percent 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 which in turn provides certainty for employers.

The next triennial Actuarial Review is due in June 2025. This will determine how the fund is positioned in relation to meeting worker entitlement liabilities now and into the foreseeable future.

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 (27.1% target); 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.

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.

Mercer also conduct Investment Education sessions on a quarterly basis for the TasBuild Board to assist in their professional development on investment matters to ensure the Board are kept abreast of the ongoing changes in the investment environment.

Chief Executive Officer's Report continued

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;

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

Objective	Result	Objective Met
AWOTE + 2% ¹ over rolling 5-year periods after investment fees	5 year Portfolio Return after Fees 7.3% 5 year AWOTE + 2% 6.6% Excess Return +0.7%	Yes
Chance of a negative return, 1 in 5 years	1 year Portfolio Return after Fees +8.6% Since the fund's investment with Mercer in 2013 the fund has experienced one negative year in 2022	Yes
Outperform SAA benchmark by 1% before fees over rolling 12 month periods	1 year Portfolio Return before Fees +9.3% SAA Weighted Benchmark +9.3% Excess Return +0.0%	Yes
Achieve and maintain an asset value of 110% of liabilities	Asset value – 144% of worker entitlement liability	Yes

¹ AWOTE + 1.5% prior to 1 April 2022

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.

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. The review included an assessment of the ongoing appropriateness of investment objectives and risk tolerance for the portfolio. Given the Fund's relatively strong solvency position changes were considered to the SAA and several alternatives were tested to illustrate the impact of increasing or decreasing investment risk and an expansion of the internal investment portfolio.

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 2024. The table below shows the Board-approved SAA for 2023-2024 and the values of each asset class as at 30 June 2024:

Mercer Multi-Manager Fund	Actual (\$)	Actual (%)	SAA (%)	Previous SAA (%)	Lower Range (%)	Upper Range (%)
SHARES		44.6%	42.0%	42.0%		
Mercer Australian Shares Plus Fund	46,108,100	21.4%	21.0%	21.0%	5.0%	35.0%
Mercer International Shares Fund	19,136,711	8.9%	9.0%	9.0%	0.0%	20.0%
Mercer Hedged International Shares Fund	12,269,113	5.7%	6.0%	6.0%	0.0%	20.0%
Mercer Global Small Companies Shares Fund	5,309,262	2.5%	2.0%	2.0%	0.0%	10.0%
Mercer Emerging Markets Shares Fund	13,030,972	6.1%	4.0%	4.0%	0.0%	10.0%
REAL ASSETS		24.1%	27.1%	27.7%		
Mercer Australian Direct Property Fund	25,990,992	12.1%	14.5%	14.5%	0.0%	15.0%
Mercer Global Unlisted Infrastructure Fund	24,320,355	11.3%	12.0%	12.0%	0.0%	15.0%
Internally managed property	1,564,869	0.7%	0.6%	1.2%	0.0%	5.0%
FIXED INTEREST		28.3%	28.1%	26.3%		
Mercer Global Private Debt Fund	9,914,678	4.6%	5.0%	5.0%	0.0%	10.0%
Mercer Global Credit Fund	6,885,034	3.2%	3.0%	3.0%	0.0%	10.0%
Mercer Emerging Markets Debt Fund	4,894,739	2.3%	2.0%	2.0%	0.0%	10.0%
Mercer Australian Sovereign Bond Fund	15,180,179	7.1%	8.0%	8.0%	0.0%	25.0%
Mercer Australian Inflation Plus Fund	4,487,196	2.1%	2.5%	2.5%	0.0%	10.0%
Internally managed fixed interest	19,318,316	9.0%	7.6%	5.8%	0.0%	10.0%
CASH		3.0%	2.8%	4.0%		
Mercer Cash Fund Term Deposit Units	2,093,549	1.0%	1.0%	1.0%	0.0%	20.0%
Internally managed cash	4,547,332	2.0%	1.8%	3.0%	0.0%	5.0%

Chief Executive Officer's Report continued

Internally Managed Investments

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 2024
Direct Property	6.1	\$1.56 M
Term Deposits & Cash at Bank	17.9	\$4.54 M
Tasmanian Construction Loans	76.0	\$19.32 M
TasBuild Total	100.0	\$25.42 M

TasBuild is 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 and TasBuild welcomes applications from employers.

Market Performance

Over the course of the year to 30 June 2024 market performance was characterised by stubbornly high interest rates across the globe used in an attempt to control inflation. In some regions rates have begun to ease, however in Australia this has been hampered by stronger than anticipated inflation data.

Domestically, economic data remains mixed with resilient employment and inflation data offset by weaker consumer and housing data. This makes policy decisions more difficult for the Reserve Bank and suggests lower rates may take longer to arrive in Australia.

Growth assets had another strong year across the board, whilst defensive asset classes such as bonds and credit were muted in light of interest rate uncertainty. Real property struggled largely due to asset revaluations, particularly in the office sector.

Australia's Gross Domestic Product (GDP) growth for the year has slowed, reflecting the impact of higher interest rates. At the March 2024 reading, GDP annual growth was 1.1%, driven by continuing domestic consumption and government spending. Housing purchases remain strong while construction of new homes remains weak given multiple pressures in the building industry.

In Australia inflation remained a key measure throughout the year, with the Consumer Price Index (CPI) rising by 2.8% from June 2023 to March 2024 and rising by 3.6% YoY. At the end of 2023 many economists had forecast for interest rates to come down before the end of 2024 with multiple rate cuts expected. However, as it stands this is unlikely to happen due to sustained demand and a relatively resilient labour market preventing the Reserve Bank of Australia (RBA) from easing monetary policy.

Portfolio Performance

The investment portfolio returned +8.6% for the year after fees, underperforming its SAA benchmark by 0.7%. The portfolio's longer term absolute and relative performance is strong, comfortably meeting its investment objectives over 5 and 10 years.

The Australian stock market experienced a positive year, marked by ongoing macro-economic themes and notable trends. This period saw a blend of economic resilience and market volatility, influenced by both domestic factors and global conditions. The invasion of Israel by Hamas launched a fresh round of conflict-induced uncertainty in the world alongside a humanitarian disaster. However, the actual impact on equity performance was negligible even while cease-fire proposals have been unsuccessful.

Global equity markets performed well, with inflation concerns easing over the year and the commencement of interest rate cuts in some regions. There are still some headwinds however with geopolitical risk being heightened with upcoming elections around the world and ongoing conflict in Israel and the Ukraine.

Overall, TasBuild continues to be 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 over time and allowing TasBuild to consider ways of continuing to invest in the Tasmanian construction industry to support employment and investment back into the State.

Chief Executive Officer's Report continued

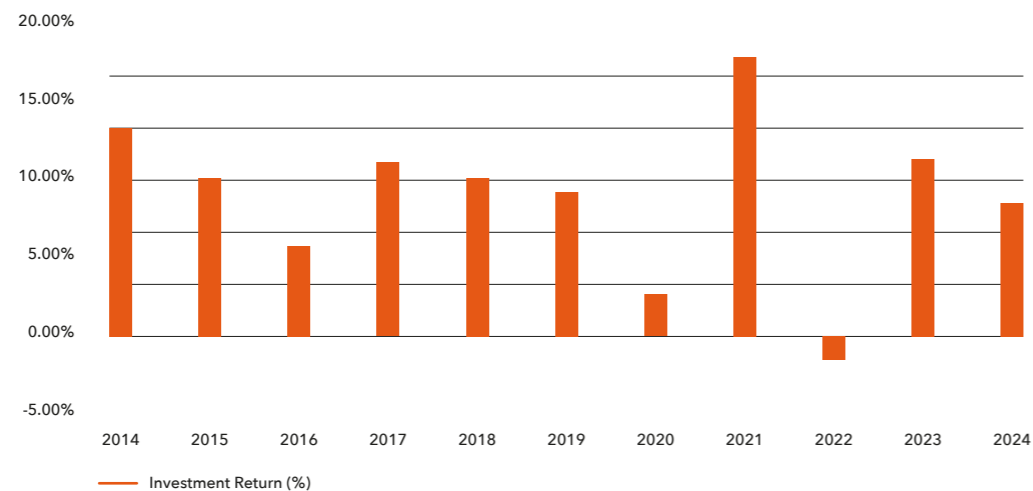
The table below provides an overview of the investment performance against the agreed benchmarks for each asset class as at 30 June 2024:

	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	12.3	11.9	0.4	5.8	6.1	-0.3	7.6	7.2	0.4	8.2	8.0	0.2
International Shares	18.6	19.9	-1.4	9.8	11.2	-1.4	12.1	13.0	-0.9	-	-	-
Hedged International Shares	18.7	20.2	-1.6	5.9	7.0	-1.1	10.2	11.0	-0.8	-	-	-
Global Small Companies Shares	9.5	8.8	0.7	1.9	2.6	-0.7	8.1	7.9	0.2	9.8	10.0	-0.2
Emerging Markets Shares	9.5	12.2	-2.7	-2.8	-1.3	-1.5	3.4	4.1	-0.7	6.0	6.4	-0.4
REAL ASSETS												
Australian Direct Property	-2.5	3.1	-5.6	6.2	7.7	-1.5	6.1	6.8	-0.7	8.6	7.2	1.4
Global Unlisted Infrastructure	8.5	7.7	0.8	9.9	9.9	0.0	10.8	8.6	2.2	11.5	7.1	4.4
FIXED INTEREST												
Global Private Debt	7.4	7.4	0.0	-	-	-	-	-	-	-	-	-
Global Credit Fund	4.3	4.0	0.3	-3.5	-3.4	-0.1	-0.5	-0.5	0.0	2.1	2.2	-0.1
Emerging Markets Debt	-0.7	0.3	-1.0	2.3	0.6	1.7	0.7	-0.3	1.0	2.5	2.6	-0.1
Australian Sovereign Bond	3.1	3.1	0.0	-2.5	-2.6	-0.1	-1.0	-1.1	0.1	2.1	2.0	0.1
Australian Inflation Plus	-0.3	4.6	-4.9	2.9	6.2	-3.3	3.3	4.8	-1.4	2.9	3.6	-0.7
CASH												
Mercer Cash – Term Deposit Units	4.6	4.4	0.2	2.6	2.4	0.2	1.9	1.6	0.3	2.1	1.9	0.2
TOTAL FUND	8.6	9.4	-0.8	5.5	5.8	0.3	7.3	6.8	0.5	7.7	6.6	1.1

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. Following a review of the service provision for TasBuild's IT, a decision was made to appoint local company Interact IT to replace 5G Networks. Interact IT is a Tasmanian IT service provision company that has a strong local presence that will ensure that TasBuild has access to all the up-to-date technology to strengthen the security of our infrastructure and data.

To further test our IT infrastructure to ensure it is best practice for the services we provide, TasBuild engage external cyber security experts to undertake a comprehensive review of our IT environment. External penetration testing is due to be undertaken early in the new financial year. A review of TasBuild's IT operating environment was undertaken late in 2023 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. This resulted in some minor changes to the way TasBuild interacts with Formation Technologies.

A Cyber Security Response Plan is in place so that in the possibility 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 was delayed and is now expected to occur in the next 12 months.

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.

Human Resources

The 2023-2024 financial year has been extremely busy for all staff with numerous staffing changes and structures along with a change of office location from Rosny Park to Hobart City in mid-April 2024.

After 25 years of service in December 2023, Rebecca Park retired, finishing in February 2024 closely followed by Vicky Blizzard, finishing in March 2024, after 8 years of service. The Board and CEO recognise and appreciate the contribution, extensive service and dedication of both Rebecca and Vicky and their wealth of knowledge and commitment to the team will be missed by all TasBuild staff.

As a result of this there have been changes to job roles and structures and whilst the team have defined areas of responsibility as listed below, they are also able to multitask and work across several areas of the business in order to assist operationally where necessary. This smaller and hard-working team at TasBuild are solely responsible for administering and managing the Fund on behalf of contributors and beneficiaries.

As at 30 June 2024 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
Operations Team	
Worker Entitlements Processing and Service Reviews	Kylie McDonald
Legal Admin, Debt Management and Unrecorded Service	Juanita Johnson
Employer Returns Management and Accounts Receivable	Tammie O'Brien
Reception, Initial Contact for Entitlements and Project Work	Ronda Randall
Registrations, Accounts Receivable and Administration	Jacqui Singleton

Chief Executive Officer's Report continued

During the year and aside from managing the day-to-day operations of the Fund, staff have continued to regularly communicate directly with employers and workers to keep them informed of legislative requirements, updates to Rules of the fund, scheme obligations and general scheme matters with the intent of lifting the profile of TasBuild with all stakeholders in the Construction Industry. As part of this workers have been contacted in regard to the rule change of leaving the industry at 7 years where applicable and also notified when they have an entitlement or may lose service contributions due to absences from the industry.

Workers have also been encouraged by TasBuild operators to use the worker portal to apply for long service leave now we have this functionality in place. This has led to more than 60% of entitlements paid, being received online through the worker portal and seen a record number of entitlements paid for the 2023/24 financial year.

With a focus still being on mental health and wellness, the new Workplace Health and Wellbeing Policy was implemented in October 2023. As part of this policy, we have been aiming to provide general wellbeing programs, initiatives and employee support where necessary which also includes an annual health and wellbeing allowance. To this end we engaged our Employee Assistance Program Provider, Positive Solutions, to conduct a Managing Stress and Mental Wellbeing in the Workplace training session. This gave valuable insight into psychosocial hazards in the workplace as well as valuable information about what Positive Solutions do as our EAP and how we can access them for all different types of support.

My continuing thanks and appreciation go to the staff for their dedication, hard work and achievements throughout the last financial year as well as their support in the office move and preparation leading up to that. I would also like to acknowledge the commitment of all team members to the TasBuild mission, vision and values of Respect, Accountability, Collaboration and Integrity and their continued efforts contributing to the overall success of TasBuild and servicing the needs of our stakeholders. As a special mention I would also like to congratulate Juanita Johnson on achieving a milestone of 10 years of service with TasBuild in August 2023.

I would also like to thank our Board of Directors led by our Independent Chair, Susan Parr for their guidance and leadership over the year. I look forward to working with them 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 the Communications, Electrical and Plumbing Union.

The Board of Directors meets on a bi-monthly basis with other meetings scheduled on a need's basis. In 2023-2024 the Board met on 6 occasions.

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

An Independent Chair is nominated by the Board of Directors.

The membership of the Board as at 30 June 2024:

Directors of TasBuild Limited

Ms Susan Parr

Independent 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 Jacob Batt

Representative of the Australian Manufacturing Workers Union

Jacob Batt is a union official and is currently the Acting Tasmanian State Secretary of the Australian Manufacturing Workers Union (AMWU). Jacob joined the Board in February 2024 having previously been an alternate Director and has worked for the AMWU since 2014.

Jacob is a proud Tasmanian who continues to represent workers across our great State.

Appointment 29.02.2024
Term expires 02.03.2028

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
Re-appointed 24.04.2024
Term expires 24.04.2028

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 24.04.2024

Term expires 24.04.2028

Mr David Clerk

Representative Master Builders Association

David began his career at PricewaterhouseCoopers where he specialised in supporting corporate deal activity and included time in the US and five years working in Shanghai supporting foreign investment into China. He later held senior roles in strategy, business development, finance and commercial within the energy and utilities sectors in companies including Alinta, Jemena and TXU Australia.

David returned to Tasmania in 2010 to become the University of Tasmania's Chief Operating Officer.

Over his time at the UTAS, David was responsible for the leadership and delivery of over \$1.2B of development including the UTAS medical and health precinct in Hobart, the IMAS building, The Hedberg Performing Arts Precinct, the Cradle Coast campus, various student accommodation developments across the State and the new Inveresk campus in Launceston.

Appointment 29.02.2024

Term expires 02.03.2028

Directors' Report

The Directors of TasBuild Limited submit herewith the financial report of the Fund for the financial year ended 30 June 2024.

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	29 February 2024
Michael Bailey	20 April 2020	
Susan Parr	29 April 2022	
Matthew Pollock	22 April 2022	29 February 2024
Jacob Batt	29 February 2024	
David Clerk	29 February 2024	

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 Fund for the financial year was (\$5,010,000) which is a 138% decrease as compared with that of the prior year (2023: \$13,140,000).

Dividends

No dividend was paid or declared during the financial year, which is consistent with the 2023 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 Fund, the results of those operations, or the state of affairs of the Fund 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 Fund 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 Fund, the results of those operations, or the state of affairs of the Fund in financial years subsequent to this financial year.

Environmental Regulation

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

Employees

The Fund employed 9.8 FTE employees as at 30 June 2024 (2023: 11.4 FTE employees).

Indemnification & Insurance of Directors & Officers

During the financial year, the Fund paid a premium insuring the Directors and Officers of the Fund 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 Fund has not otherwise, during or since the financial year, indemnified or agreed to indemnify an Officer or Auditor of the Fund 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	6
Michael Anderson	6	6
John Short	3	3
Michael Bailey	6	5
Susan Parr	6	6
Matthew Pollock	3	1
Jacob Batt	3	3
David Clerk	3	3

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 (AMWU) and is a Graduate Member of the Australian Institute of Company Directors. Mr Short was replaced on the TasBuild Board by Mr Jacob Batt who is a State Organiser for the AMWU and Acting State Secretary. Mr Batt has been with the AMWU since 2014.

Mr Kevin Harkins is a former employee of 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.

Mr Michael Anderson is the State Secretary of the CEPU.

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

Ms 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.

Mr Matthew Pollock was CEO and executive director of The Master Builders' Association of Tasmania Inc. and was replaced in the role by Mr David Clerk in February 2024.

Company Secretary

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

	Appointed	Ceased
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 19th September 2024

Primary Statements

Statement of Comprehensive Income for the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Revenue			
Contributions Accrued Liability	1(k)	1,755	1,321
Monthly/Quarterly Contributions	1(k)	18,481	17,263
Gain/(Loss) on Financial Assets	2	16,388	19,209
Income from Property		-	161
Gain/(loss) on Disposal of Assets		(2)	4
Miscellaneous Income		49	78
Total Revenue		36,671	38,036
Expenses			
Long Service			
Benefits Paid to Members	19	17,701	14,844
Increase/(Decrease) in Liability to Beneficiaries		21,390	7,598
Administration			
Salaries and Associated Expenses		1,326	1,260
General Administration Expenses	3(a)	1,071	1,072
Other Expenses			
Bad Debts		37	3
Depreciation / Amortisation	3(b)	156	119
Total Expenses		41,681	24,896
Net Current Year Profit / (Loss)		(5,010)	13,140
Other Comprehensive Income			
		-	-
Total Comprehensive Income for the year		(5,010)	13,140
Net Profit Attributable to Members of TasBuild		(5,010)	13,140

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Cash and Cash Equivalents	5	1,453	6,009
Accounts and Other Receivables	6	3,977	3,581
Financial Assets	7	212,406	193,461
Right-of-Use Assets	8	199	80
Plant & Equipment	9	274	153
Investment Property	10	1,565	-
Intangible Assets	11	8	11
Total Assets		219,882	203,295
Liabilities			
Accrued Charges	18	99	108
Lease Liabilities	8	301	84
Provision for Employee Benefits	12	144	145
Accrued Long Service Leave Benefits Liability	19	151,438	130,048
Total Liabilities		151,982	130,385
Net Assets		67,900	72,910
Equity			
Retained Earnings		67,900	72,910
Total Equity		67,900	72,910

The accompanying notes form part of these financial statements.

Primary Statements

continued

Statement of Changes in Equity for the Year Ended 30 June 2024

	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2022	59,770	59,770
Other Comprehensive Income	-	-
Profit / (Loss) for the Year	13,140	13,140
Balance at 30 June 2023	72,910	72,910
Balance at 1 July 2023	72,910	72,910
Other Comprehensive Income	-	-
Profit / (Loss) for the Year	(5,010)	(5,010)
Balance at 30 June 2024	67,900	67,900

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash Flows from Operating Activities			
Receipts from Contributors		19,838	18,807
Other Receipts		49	239
Interest Received		1,803	1,335
Payments to Suppliers and Employees		(2,435)	(2,322)
Liability to Beneficiaries		(17,701)	(14,844)
Net Cash Flows from / (used in) Operating Activities	17	1,554	3,215
Cash Flows from Investing Activities			
Proceeds on Sale of Property, Plant & Equipment		-	27
Proceeds on Sale of Investment Property		-	4,638
Purchase of Property, Plant & Equipment		(171)	(58)
Purchase of Financial Assets		(5,925)	(5,673)
Net Cash Flows from / (used in) Investing Activities		(6,096)	(1,066)
Cash Flows from Financing Activities			
Net Repayment of Lease Borrowings		(14)	(83)
		(14)	(83)
Net Increase / (Decrease) in Cash and Cash Equivalents		(4,556)	2,066
Cash and Cash Equivalents at Beginning of the Period		6,009	3,943
Cash and Cash Equivalents at End of the Period	5	1,453	6,009

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

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

1. Summary of Material Accounting Policy Information

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 Fund 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 Fund 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 Fund 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 Fund 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	2024	2023
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 Fund 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 Fund where the Fund 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 Fund 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 2024

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 Fund 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 Fund becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Fund 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 2024

1. Summary of Significant Accounting Policies

continued

The Fund 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 Fund’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 Fund 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 Fund 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 Fund assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Fund 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 2024

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% (2023: 25%).

(h) Employee Benefits

Short-Term Employee Benefits

Provision is made for the Fund'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 Fund's obligations for short-term employee benefits such as salaries and wages are recognised as part of the current liability in note 12. The Fund'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 Fund's obligations for long-term employee benefits are presented as non-current provisions in note 12, except where the Fund 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 Fund 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 Fund 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 Fund 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 2024

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) New and Revised Accounting Standards

The Fund has adopted the following new standards and amendments to standards:

- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*.

Adoption of this amendment has not resulted in any significant changes in how the Fund currently applies accounting standards.

(q) Subsequent Events

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

2024
\$'000

2023
\$'000

2. Income from Financial Assets

(a) Domestic Market

Interest Income	1,803	1,335
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(b) Funds Held by Fund Managers

Unrealised Gain/(Loss)	14,585	15,796
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(c) Sale of Investment Properties

Gain on disposal	-	2,078
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Total Income from Financial Assets	16,388	19,209
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3. Expenses

(a) General Administration Expenses

Postage	15	17
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Telephone	13	12
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Printing and Stationery	26	25
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General Expenses	167	198
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Consultancies	17	43
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IT Expenses (excluding depreciation)	256	226
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Board Members' Allowances	267	161
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Audit Fees	10	26
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Vehicle Expenses (excluding depreciation)	18	23
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Legal Expenses	240	281
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Actuarial Services	22	37
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Advertising and Promotion	20	23
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Total General Administration Expenses	1,071	1,072
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(b) Depreciation / Amortisation

Office Equipment	4	6
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Motor Vehicles	25	26
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Computer Equipment	5	6
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Furniture and Fixtures	3	1
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Office Lease	105	80
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Leasehold Improvements	14	-
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Total Depreciation	156	119
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Notes to the Financial Statements

For the year ended 30 June 2024

	2024 \$'000	2023 \$'000
4. Auditor's Remuneration		
Amounts received or due and receivable by WLF Accounting & Advisory for:		
Audit and review of the financial report of TasBuild Limited	18	16
Other services performed	-	-
Total Auditors Remuneration	18	16

5. Cash and Cash Equivalents

Cash at bank and in hand	1,453	6,009
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Cash at bank earns interest at floating rates based on daily bank deposit rates.

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

	Note	2024 \$'000	2023 \$'000
6. Trade and Other Receivables			
Current			
Trade Receivables	6(a)	4,203	3,766
Provision for Impairment	6(b)	(500)	(500)
Accrued Interest		209	282
Prepayments		34	36
GST Receivable/(Payable)		31	(3)
Total Current Trade and Other Receivables		3,977	3,581

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

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

The Fund 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	2024 \$'000	2023 \$'000
7. Financial Assets			
Term Deposits	7(b)	3,450	3,950
Funds Under Management	7(a)	189,622	175,104
Loans Receivable	7(b)	19,318	14,391
Bond – Office Lease	7(a)	16	16
Total Investments		212,406	193,461

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

Funds Under Management	189,622	175,104
Bond – Office Lease	16	16
	189,638	175,120

(b) Financial Assets at Amortised Cost

Term Deposits	3,450	3,950
Loans Receivable	19,318	14,391
	22,768	18,341

Funds Under Management and Other Investments are held for long-term planned purposes and are not held for trading. The Fund 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 2024

	Note	2024 \$'000	2023 \$'000
8. Right-of-Use Assets			
Right of Use Asset		224	241
Less Accumulated Amortisation		(25)	(161)
Total Right-of-Use Assets	8(a)	199	80
(a) Movements in Carrying Amounts			
Carrying amount at beginning		80	161
Additions		224	-
Amortisation expense		(105)	(81)
Carrying amount at end		199	80
Lease Liability			
Current		104	84
Non-Current		197	-
Total Lease Liability		301	84
9. Plant and Equipment			
Office Equipment at cost		16	16
Less Accumulated Depreciation		(7)	(12)
	9(a)	9	4
Motor Vehicles at cost		159	159
Less Accumulated Depreciation		(60)	(37)
	9(a)	99	122
Computer Equipment at cost		77	77
Less Accumulated Depreciation		(63)	(60)
	9(a)	14	17
Furniture and Fixtures at cost		52	35
Less Accumulated Depreciation		(16)	(25)
	9(a)	36	10
Leasehold Improvements		130	-
Less Accumulated Depreciation		(14)	-
	9(a)	116	-
Total Plant and Equipment		274	153

	2024 \$'000	2023 \$'000
(a) Movements in Carrying Amounts		
<i>Office Equipment</i>		
Carrying amount at beginning	4	5
Additions	7	1
Depreciation expense	(2)	(2)
Carrying amount at end	9	4
<i>Motor Vehicles</i>		
Carrying amount at beginning	122	120
Additions	-	51
Disposals	-	(23)
Depreciation Expense	(23)	(26)
Carrying amount at end	99	122
<i>Computer Equipment</i>		
Carrying amount at beginning	17	23
Additions	2	-
Depreciation expense	(5)	(6)
Carrying amount at end	14	17
<i>Furniture and Fixtures</i>		
Carrying amount at beginning	10	11
Additions	32	-
Disposals	(3)	-
Depreciation expense	(3)	(1)
Carrying amount at end	36	10
<i>Leasehold Improvements</i>		
Carrying amount at beginning	-	-
Additions	130	-
Depreciation expense	(14)	-
Carrying amount at end	116	-

Notes to the Financial Statements

For the year ended 30 June 2024

	2024 \$'000	2023 \$'000
10. Investment Property		
Balance at Beginning of year	-	2,560
Additions	1,565	-
Disposals	-	(2,560)
Balance at end of year	1,565	-

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

The Fund purchased a property at 240-244 Murray Street, Hobart on 4th June 2024 for the intended purpose to develop the property for office accommodation in future years.

	Note	2024 \$'000	2023 \$'000
11. Intangible Assets			
Computer Software at cost		28	28
Less Accumulated Depreciation	11(a)	(20)	(17)
		8	11

(a) Movements in Carrying Amounts

Computer Software

Carrying amount at beginning		11	9
Additions		-	6
Depreciation Expense		(3)	(4)
Carrying amount at end		8	11

12. Provision for Employee Benefits

Current	122	127
Non-Current	22	18
Total Provision for Employee Benefits	144	145

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.

	2024 \$'000	2023 \$'000
14. Related Party Transactions		
(a) Directors and Key Management Personnel Remuneration		
Short-term benefits	261	255
Post-employment benefits	31	49
	292	304
(b) Other Related Parties		
Fees paid to the bodies which nominate a Director:	187	79

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.

Notes to the Financial Statements

For the year ended 30 June 2024

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

	2024 \$'000	2023 \$'000
Net Profit / (Loss)	(5,010)	13,140
<i>Adjustments for:</i>		
(Profit)/Loss on Sale of Plant and Equipment	2	(4)
(Profit)/Loss on Sale of Investment Properties	-	(2,078)
Reinvestment of Financial Asset Income	(14,585)	(15,796)
Depreciation	51	39
Amortisation of Right-of-Use Asset	105	81
Interest on Lease Liability	7	3
<i>Changes in Assets and Liabilities</i>		
(Increase)/Decrease in Receivables and Other Assets	(398)	223
(Increase)/Decrease in Prepaid Expenses	2	(36)
Increase/(Decrease) in Employee Provisions	(1)	(24)
Increase/(Decrease) in Liability to Beneficiaries	21,390	7,602
Increase/(Decrease) in Other Liabilities	(9)	65
Net Cash Increase/(Decrease) from Operating Activities	1,554	5,811

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	9.6%
Australian Shares	21.7%
Overseas Shares	23.4%
Property and Infrastructure	32.8%
Bonds	12.5%

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 Fund's 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.

Notes to the Financial Statements

For the year ended 30 June 2024

18. Financial Risk Management Objectives and Policies continued

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	9.6%
Australian Shares	21.7%
Overseas Shares	23.4%
Property and Infrastructure	32.8%
Bonds	12.5%

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.

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:

Financial Liabilities	Contractual Cash Flows		Due Less than 1 month	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Accrued Charges	99	108	99	108
Total	99	108	99	108

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 2024

19. Accrued Long Service Benefits Liability

Long Service Benefits Liability Verified by Actuary

A significant factor impacting the Fund's provision during the 2024 financial year has been the unwinding of discounting which has added \$6.3m and the change in benefit rules effective from October 2023 which has added \$7.3m. Other significant factors have been the accrual of new service days and the benefits paid to members. New accrual of service has added \$19.5m to the provision, while benefits paid during the year have reduced the provision by \$17.7m.

	2024 \$'000	2023 \$'000
Current	17,820	15,290
Non-Current	133,618	114,758
Total Accrued Long Service Benefits Liability	151,438	130,048
<i>Movement in Provision</i>		
Value of provision at start of period	130,048	122,446
Allowance for administration at start of period	(3,600)	(3,500)
	126,448	118,946
Change in provision due to:		
– Unwinding of interest / discounting	6,350	5,465
Impact of change in benefit rules (effective from October 2023)	7,342	-
Impact of benefit accrual and payments		
– New accrual of service days accrued in period	19,517	13,503
– Benefits paid to members in period	(17,701)	(14,844)
– Change in provision for self-employed workers	163	131
Economic Factors		
– Change in discount rate	755	(3,377)
– Change in assumed future wage inflation rate	1,215	1,063
– Wage increases higher than assumed	2,118	4,322
Other Factors	(1,069)	1,239
Provision at end, excluding administration expenses	145,138	126,448
Allowance for administration	6,300	3,600
Value of provision at end of period	151,438	130,048

Actuarial Statement

We have carried out an investigation of the fund as at 30 June 2024 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 \$151.438 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: 19 August 2024

20. Entity Details

The registered office of the Company is:

TasBuild Limited
Ground Floor, 99 Bathurst Street
Hobart TAS 7000

Directors' Declaration

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

1. The financial statements and notes of the TasBuild fund are in accordance with the *Corporations Act 2001* and:
 - a. Comply with Australian Accounting Standards; and
 - b. Give a true and fair view of the financial position of the Fund as at 30 June 2024 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.



Susan Parr
Chair

Date: 19.9.2024



Michael Anderson
Director

Date: 19.9.2024



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 2024 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: 19/09/2024

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INDEPENDENT AUDITOR'S REPORT

To the directors of TasBuild Limited

Opinion

We have audited the financial report of TasBuild Limited and the Construction Industry (Long Service) Fund, which comprises the statement of financial position as at 30 June 2024, 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 material accounting policy information, the consolidated entity disclosure statement (for TasBuild Limited) 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 2024 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 2024 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

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Financial Report section of our report. We are independent of the Entity in accordance with 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 2024 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:

- a) the financial report (other than the consolidated entity disclosure statement for TasBuild Limited) in accordance with the conditions outlined at (a) and (b) in the Basis for Opinion above; and
- b) the consolidated entity disclosure statement for TasBuild Limited that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as management determines is necessary to enable the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement for TasBuild Limited) that is free from material misstatement, whether due to fraud or error; and
- b) the consolidated entity disclosure statement for TasBuild Limited that is true and correct and is free of 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: 19/09/2024



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 2024, 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 material accounting policy information, 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 2024 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 2024 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 Trustee of Construction Industry (Long Service) Fund for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Wise Lord & Ferguson

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Rebecca Meredith

REBECCA MEREDITH
Partner

Date: 19/09/2024



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