

Annual Report

2025-26

TASBUILD
PORTABLE LONG SERVICE LEAVE

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Chair's Report

I am pleased to present the Chair's Annual Report for TasBuild Limited for the financial year ending 30 June 2026.

I joined as Chair in March 2026, replacing Susan Parr who was a wonderful contributor and leader for four years since 2022, overseeing a number of improvements and changes to the Fund.

The past year has been one of continued development for TasBuild as we have sought to strengthen the organisation, improve the services we provide to workers and employers, and position the Scheme for the opportunities and challenges ahead.

TasBuild performs an important role for Tasmania's building and construction industry. The portable long service leave Scheme recognises the particular nature of employment within the industry, where workers may move between employers and projects throughout their careers. Our responsibility is to ensure that their service is appropriately recognised while administering the Scheme fairly, efficiently and sustainably.

The Board remains conscious that TasBuild must balance the interests of workers, employers and the broader industry while maintaining the financial strength necessary to meet the Scheme's long-term obligations.

Good governance remains fundamental to the Board's work.

During the year, the Board continued to focus on strategic oversight, financial sustainability, risk management and the quality of services provided by TasBuild. We have continued to review our governance arrangements to ensure that they support effective and accountable decision-making.

The Board and its Committees have continued to benefit from constructive and robust discussion. The different perspectives, experience and industry knowledge brought by Directors are important strengths of TasBuild and contribute to considered decision-making.

The legislative and regulatory framework within which TasBuild operates has continued to receive considerable attention from the Board.

TasBuild has continued to engage constructively with government, industry stakeholders and our professional advisers on these matters. Reform inevitably requires careful consideration of the interests of a wide range of stakeholders, but the Board believes that modernisation of the framework will ultimately benefit workers, employers and the Scheme.

The financial sustainability of TasBuild remains one of the Board's most important responsibilities.

The Scheme has long-term liabilities to workers and it is therefore important that investment decisions are considered not simply by reference to investment returns in isolation, but in the context of those liabilities.

TasBuild's investment portfolio is constructed in a manner that is cognisant of the nature of the Scheme's liabilities, particularly their sensitivity to changes in wage growth and the discount rate used to value future obligations.

The Board and Investment Committee continue to exercise close oversight of the portfolio, supported by specialist investment and actuarial advice. Diversification, liquidity, risk management and long-term sustainability remain central to our approach.

Chair's Report
continued

Importantly, our strong financial position also provides TasBuild with the capacity to consider investment opportunities that can generate appropriate risk-adjusted returns while potentially supporting economic activity and employment within Tasmania. Such opportunities must always satisfy appropriate investment criteria and be consistent with the Board's fiduciary responsibilities.

TasBuild operates within an industry that continues to experience significant change.

Residential construction has faced challenges associated with affordability, project feasibility, construction costs and workforce availability. At the same time, Tasmania has a significant pipeline of infrastructure, energy and other major projects that has the potential to support construction activity and employment over the coming years.

This environment reinforces the importance of a strong and effective portable long service leave Scheme.

The construction industry is characterised by mobility. Workers frequently move between projects and employers, and periods of strong activity can be followed by periods of adjustment. Portability allows service across the industry to be recognised despite those movements and remains an important employment benefit for the Tasmanian construction workforce.

TasBuild therefore has a role beyond simply administering accounts and paying benefits. We have an opportunity to contribute positively to an industry that is vital to Tasmania's economy and communities.

Improving our engagement with employers and workers has remained a priority throughout the year.

Our Field Officers play an important role in this work through direct engagement with employers and the broader industry. Their presence provides TasBuild with valuable insights into the practical issues facing businesses and workers across Tasmania.

We have also continued to focus on improving communication, accessibility and responsiveness. The Board expects TasBuild to provide a service that is professional, fair and practical and to continually look for ways in which the experience of our customers can be improved.

The Board continues to consider the longer-term opportunities available to TasBuild.

Portable long service leave has demonstrated its value in industries characterised by workforce mobility, and there continues to be discussion about its potential application to other sectors.

TasBuild has considerable experience in administering portable entitlements, maintaining worker service records, managing employer contributions and investing funds to meet long-term obligations. This capability provides a strong platform should portable long service leave arrangements be extended to other Tasmanian industries.

Nevertheless, the Board believes TasBuild should be prepared for these opportunities and continue to position itself as a trusted and capable provider of portable long service leave services in Tasmania.

TasBuild's achievements ultimately depend upon its people.

As TasBuild's engagement with industry increases, our people are increasingly required to exercise judgement, communicate complex requirements clearly and deal constructively with a diverse range of stakeholders. Supporting our staff through appropriate systems, training and leadership is therefore essential.

I would like to acknowledge the professionalism and commitment of the TasBuild team throughout the year. Their work, much of which occurs away from the Board's direct view, is fundamental to the successful administration of the Scheme.

TasBuild enters the 2026–27 financial year from a position of strength, but the Board recognises that maintaining that position requires continued improvement.

Our priorities include maintaining the long-term financial sustainability of the Scheme; continuing to modernise our governance and administrative practices; improving engagement with employers and workers; advocating for a clearer and more contemporary legislative framework; and ensuring TasBuild is positioned to respond to opportunities for the future development of portable long service leave in Tasmania.

We will also continue to consider how TasBuild can support the industry from which it was created. Our first responsibility will always be the prudent administration of the Scheme and protection of the entitlements of its beneficiaries. Within that responsibility, however, there is an opportunity to consider investments and initiatives that can contribute to employment, industry capacity and Tasmania's economic development while meeting appropriate commercial and risk requirements.

I would like to thank our CEO, Mark Williams and CFO, Zac Shutt for their leadership throughout the year and for the advice and support they provide to the Board. Mark, Zac and the TasBuild team have continued to drive improvements across the organisation while maintaining a strong focus on our responsibilities to workers, employers and the industry.

Finally, I acknowledge my fellow outgoing and current Directors noting there has been a considerable "refresh" of the Board during the last year The quality of governance depends upon Directors being prepared to contribute their experience, ask difficult questions and engage respectfully with different perspectives. I thank each Director for their commitment to TasBuild and for the constructive approach they have brought to the Board throughout the year.

TasBuild has an important responsibility to the Tasmanian building and construction industry. As we look to the future, I am confident that the organisation has the financial strength, governance, capability and commitment required not only to meet that responsibility but to continue evolving in the interests of the workers, employers and industry we serve.

John Mazengarb
Independent Chair

Chief Executive Officer's Report

Welcome to the TasBuild Annual Report for the year ended 30 June 2026. The 2025–26 financial year has been another year of growth and development for TasBuild.

The Fund has continued to strengthen its compliance activities, improve services for workers and employers, and increase awareness of portable long service leave across Tasmania's construction industry.

TasBuild's investment performance again contributed to the growth of the Fund, with total assets exceeding $258 million at year end. This financial strength provides confidence that funds will be available to meet workers' long service leave entitlements as the Scheme continues to mature. It also provides TasBuild with the capacity to consider investments that can generate appropriate risk-adjusted returns for the Fund while, where suitable, directing capital towards Tasmania's construction industry.

At the same time, the operating environment remains challenging. Rising construction costs, labour costs and cost-of-living pressures, together with changes in economic and political conditions, continue to influence the industry in which TasBuild operates. These matters require ongoing attention from management and the Board as we seek to manage risk, maintain compliance and ensure TasBuild remains responsive to the needs of workers and employers.

Operating Environment

The construction industry continues to operate in a challenging environment. Rising costs of materials, labour and living expenses have placed pressure on businesses and households, while a tight labour market has continued to contribute to higher employment costs. In some instances, these conditions have contributed to projects not progressing beyond the planning and approval stages.

The pipeline of larger construction projects is becoming more positive heading into 2026–27, with a number of significant projects expected to support activity across the State. The approval of the Macquarie Point Stadium is one example of a major project that is expected to contribute to future construction activity across the broader industry.

TasBuild also continues to monitor the broader economic and political environment, including the implications of changes in interest rates and the minority Government following the early State election. These factors can influence business confidence, investment decisions and construction activity across Tasmania.

From TasBuild's perspective, compliance remains a key focus. While the number and complexity of disputes continues to require management attention, compliance costs have reduced year-on-year as processes have improved and engagement with employers has increased.

The continued presence of sham contracting also remains an industry concern. TasBuild continues to work with employers, workers and industry stakeholders to improve understanding of portable long service leave obligations and identify businesses entering the construction industry that may not yet be registered with the Fund. The benefits of the scheme are often misunderstood and this is a focus area when working with all stakeholders.

Portable Long Service Leave Expansion

TasBuild has continued to participate in discussions regarding the potential expansion of portable long service leave arrangements into other Tasmanian industries, including cleaning, community services, hairdressing and security.

Portable long service leave is already well established across a number of industries in other Australian jurisdictions. Extending these arrangements in Tasmania could provide greater portability of service for workers and assist industries in attracting and retaining skilled employees.

For construction workers, TasBuild's participation in the National Reciprocal Agreement allows service to be recognised when workers move between participating schemes across Australia. Consideration of broader portable long service leave arrangements provides an opportunity to build on this established framework.

TasBuild will continue to engage constructively with Government, industry representatives, unions and other stakeholders as discussions regarding potential expansion progress.

Board Changes

There were several changes to the TasBuild Board during the year.

David Clerk was replaced on 28 August 2025 by Will Davies, a Master Builders Tasmania Board member and owner and General Manager of Cunic Homes Pty Ltd.

Michael Bailey departed the Tasmanian Chamber of Commerce and Industry (TCCI) in April 2026 and was replaced as the TCCI nominee by Leigh Stalker, a current TCCI Board member.

Michael Shepperd stepped down as the BISCO nominee following almost 28 years of service. He was replaced by Peter Lucas, Managing Director of The Heat Pump Shop.

Susan Parr stepped down as Chair in February 2026 following almost four years in the role. John Mazengarb subsequently assumed the role of Acting Chair while the process to recruit a permanent Chair commenced. John brings significant governance experience and had previously served as an independent member of TasBuild's Investment Committee.

I welcome Will, Leigh, Peter and John to the Board and thank the outgoing members for their contribution and commitment to TasBuild.

Investment Strategy

A significant development during the year was the transition of TasBuild's investment advisory arrangements to JANA Investment Advisers.

The transition was completed successfully during the year and provides TasBuild with enhanced investment reporting and analysis to support the Board's oversight of the Fund.

The transition also provided an opportunity to undertake a comprehensive review of the Fund's Strategic Asset Allocation. Further detail on the transition, revised investment strategy, portfolio composition and investment performance is provided in the Chief Financial Officer's Report.

A strong focus on identifying investments that can support Tasmania's construction industry also saw TasBuild increase its exposure to the Tasmanian Construction Fund and establish exposure to the Tasmanian Private Credit Fund during the year. These investments provide opportunities to generate appropriate risk-adjusted returns while directing capital towards productive activity within the industry in which the Scheme operates.

Corporate Governance

The TasBuild Board met on six occasions during the year and participated in four professional development and continuing education sessions.

The Investment Committee consists of an independent Chair, the Chief Executive Officer, the Chief Financial Officer, two Board members and an independent member. John Mazengarb became Acting Chair of the Board in March 2026.

The Investment Committee met on five occasions during the year and continued to provide oversight of the Fund's investments, investment performance, investment documentation and relevant policies.

Board members are appointed for four-year terms, with half of the Board positions becoming vacant every two years. Board representatives on the Investment Committee are appointed for one-year terms, while the Independent Chair and Chief Executive Officer serve on the Committee on an ongoing basis. The independent Committee member is subject to review every two years.

The Board Members and their meeting attendance for 2025-26 is detailed below:

TITLE	NOMINATING ORGANISATION	MEETING ATTENDANCE	
Chair		**Board Meeting**	**Investment Committee**
John Mazengarb	TasBuild Board (appointed 4 March 2026)	2 of 2	5 of 5
Susan Parr	TasBuild Board (resigned 16 February 2026)	3 of 3	3 of 3
Directors			
Jacob Batt	AMWU	5 of 6	n/a
Kevin Harkins	CFMEU	4 of 6	n/a
Michael Anderson	CEPU	6 of 6	5 of 5
Will Davies	MBT (appointed 28 August 2025)	6 of 6	n/a
Leigh Stalker	TCCI (appointed 20 April 2026)	2 of 2	1 of 1
Peter Lucas	BISCO (appointed 23 April 2026)	1 of 2	n/a
Michael Shepperd	BISCO (resigned 23 April 2026)	4 of 4	n/a
Michael Bailey OAM	TCCI (resigned 22 April 2026)	2 of 4	3 of 4
David Clerk	MBT (resigned 28 August 2025)	0 of 0	n/a

Operational Overview

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

Contributing Employers	↓ 1.3%
Current Workers	↑ 0.1%
Entitlements Paid (No. of)	↑ 3.0%
Employer Contributions	↑ 1.2%
Investment Return	8.4%
Cost of administration as % of assets	1.21%

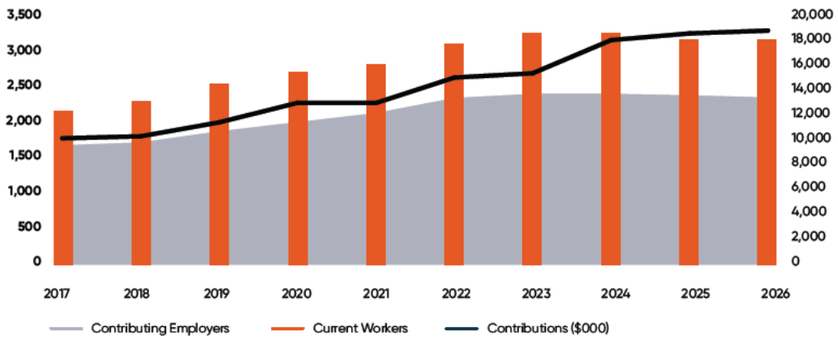
The number of contributing employers decreased by 1.3% during the year, while the number of current workers remained broadly stable, increasing by 0.1%.

The construction project pipeline has remained constrained in the short term, although the outlook for 2026/2027 is more positive, particularly with a number of larger projects expected to progress.

Entitlement payments continue to increase as TasBuild matures. During the year, $20.4 million was paid directly to Tasmanian construction workers, an increase of 6.8% on the previous year. This represents a significant and growing benefit being returned to workers and, through their spending, to the broader Tasmanian economy.

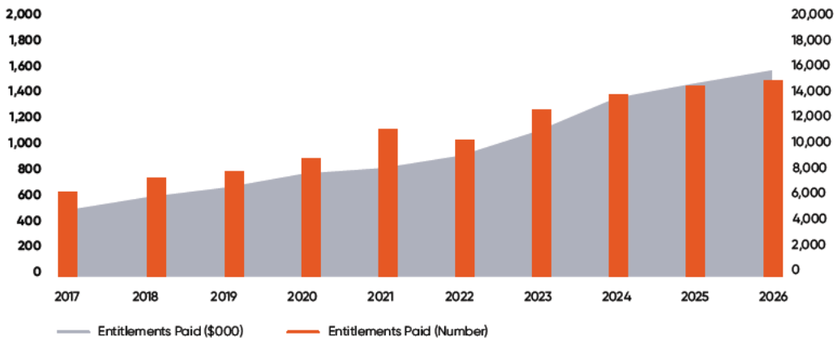
Chief Executive Officer's Report
continued

Contributing Employers and Current Workers



Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Contributing Employers	1,703	1,744	1,903	2,033	2,163	2,377	2,437	2,437	2,416	2,384
Current Workers	12,602	13,330	14,774	15,773	16,375	18,103	18,975	18,921	18,452	18,468
Contributions ($000)	10,393	10,557	11,702	13,314	13,298	15,392	15,749	18,480	19,030	19,263

Entitlements Paid



Entitlements Paid	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Entitlements Paid – Number	834	967	1,040	1,166	1,450	1,343	1,643	1,789	1,872	1,929
Entitlements Paid ($000)	6,632	7,886	8,829	10,204	10,747	11,980	14,441	17,701	19,125	20,442

Ten-Year Scheme Trends

The strength and growth of the Scheme over the past decade is clearly demonstrated by the increase in contributing employers, current workers and contributions received.

Since 2017, contributing employers have increased by 40.0%, current workers by 46.5% and employer contributions by 85.3%. Over the same period, annual entitlement payments have increased from $6.6 million to $20.4 million.

These trends demonstrate both the growth of the Scheme and its increasing maturity. More workers are now reaching the point where they can access their long service leave entitlements, resulting in a growing and tangible benefit being returned to Tasmanian construction workers and the broader Tasmanian economy.

Worker Awareness and Compliance

TasBuild continues to focus on ensuring workers understand their portable long service leave entitlements, including the availability of the seven-year pro rata entitlement.

During the year, TasBuild continued to contact workers approaching entitlement milestones and provide information to assist workers in understanding their rights and maintaining their eligibility.

Employer compliance also remains a priority. TasBuild continues to educate employers on their obligations to register, lodge returns and make contributions, while identifying businesses that may not yet be meeting their obligations.

TasBuild also continued its engagement with industry associations, including Master Builders Tasmania and the Housing Industry Association, to improve awareness of portable long service leave requirements across the construction industry and the benefits available to workers and employers.

Strategic Direction

During 2025/2026, TasBuild commenced a review of its Strategic Plan to ensure the organisation's priorities remain aligned with its statutory objectives and the evolving needs of the construction industry.

A Board strategic planning workshop was held in May 2026, resulting in the development of a draft Strategic Plan for further consideration and refinement by the Board.

The previous Strategic Plan, developed in 2023 and reviewed in May 2025, was focused on five key areas:

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 more active industry participant and raising the profile of TasBuild.

The new Strategic Plan will build on these foundations while reflecting the changing operating environment and TasBuild's priorities for the coming years.

Chief Executive Officer's Report
continued

Digital Transformation and Operational Improvements

TasBuild has continued to invest in improving its systems and processes.

Preparation and testing for Version 3.3 of the Customer Relationship Management (CRM) system progressed during the year, with implementation expected towards the end of 2026. The upgrade is intended to improve functionality, efficiency and the way TasBuild manages information and interactions with workers and employers.

Multi-factor authentication has been introduced across the Employer and Worker Portals, strengthening the security of these services.

SMS and email functionality has also been integrated with the CRM. SMS notifications are now used to advise workers when entitlement payments have been processed, with the capability to support future notifications regarding eligibility and other important Scheme information.

TasBuild has continued to focus on data quality, including maintaining current worker and employer contact information, improving worker engagement with the online portal and streamlining administrative processes.

Changes were also made to the Self-Employed Worker Scheme during the year, including a simplified contribution structure and revised interest calculation arrangements.

Cyber Security

Cyber security remains an important operational priority for TasBuild.

Interact IT has continued as TasBuild's managed service provider, supporting the organisation's technology environment and ongoing security requirements.

All staff have continued to undertake Cyber Security Awareness Training through Safetrac, while multi-factor authentication and other technology controls continue to strengthen the protection of TasBuild's systems and information.

TasBuild remains committed to continuing to modernise its technology environment and processes to improve efficiency, resilience and service delivery.

Stakeholder Engagement

TasBuild continues to maintain constructive relationships with Government, industry associations, training organisations, interstate long service leave schemes and other stakeholders.

Engagement during the year included continued involvement with organisations such as Master Builders Tasmania, the Housing Industry Association, the National Association of Women in Construction, Master Electricians and TasTAFE.

TasBuild also continued to support industry awareness through selected events and sponsorship arrangements, together with regular communication through its website, Facebook and LinkedIn channels.

These activities provide important opportunities to explain TasBuild's role, promote employer compliance and improve workers' understanding of their portable long service leave entitlements.

People and Culture

2025–26 was a busy and productive year for the TasBuild team. The organisation remained stable, with the addition of a Field and Compliance Officer to strengthen TasBuild's compliance and employer engagement activities.

At 30 June 2026, TasBuild employed 14 staff, representing 11.1 full-time equivalent positions.

The team continued to manage a broad range of operational, compliance, member service and administrative responsibilities while progressing a number of significant projects across the organisation.

TasBuild places importance on maintaining a positive workplace culture, supporting staff development and ensuring employees have access to appropriate wellbeing resources. During the year, TasBuild continued its wellbeing allowance and Employee Assistance Program, recognised World Mental Health Day and reinforced the availability of wellbeing support.

TasBuild also participated in the WorkSafe Tasmania Minds Matter pilot program, providing another opportunity to strengthen workplace wellbeing and support.

Staff continued to engage directly with employers and workers throughout the year, providing information on legislative requirements, changes to the Rules of the Fund, scheme obligations and other matters affecting participants.

This engagement remains an important part of maintaining TasBuild's profile and supporting understanding of the Scheme across the construction industry.

As at 30 June 2026 the following executive and field staff were employed by TasBuild.

Chief Executive Officer	**Mark Williams**
Chief Financial Officer	**Zachary Shutt**
Operations Manager	**Kristy Alexander**
Field Officer	**Mark Corrigan**
Field & Engagement Officer	**Janine Martin**
Field & Compliance Officer	**Warwick Dawson**

I thank all staff for their commitment and professionalism throughout the year. The continued growth and development of TasBuild is a direct reflection of the capability and dedication of the team.

Chief Executive Officer's Report
continued

Looking Ahead

TasBuild enters 2026–27 with a clear focus on strengthening the organisation and improving the services provided to workers and employers.

Key priorities for the coming year include:

- continuing to improve employer compliance and reduce the cost of compliance activities;
- progressing construction of TasBuild's new Hobart premises and effectively managing the project through to completion;
- increasing awareness and engagement with workers and employers;
- completing the CRM upgrade and continuing to modernise processes and services;
- strengthening data quality and digital service delivery;
- continuing to develop staff capability and organisational culture; and
- maintaining constructive engagement with Government, industry and other stakeholders.

The Board and management remain focused on ensuring TasBuild continues to deliver its statutory purpose efficiently, effectively and sustainably as the Scheme enters an increasingly mature phase.

I thank the Board for its guidance and support throughout the year and look forward to working with Directors, staff and our stakeholders as TasBuild continues to develop.

Mark Williams
Chief Executive Officer



Chief Financial Officer's Report

The 2025–26 financial year was a strong year financially for TasBuild, with continued growth in the Fund's asset base, strong investment performance and the implementation of a revised investment strategy.

At 30 June 2026, TasBuild held total assets of $258.2 million, an increase of 6.74% on the previous year. The Fund achieved an 8.4% investment return after fees, outperforming its Strategic Asset Allocation (SAA) benchmark by 2.3%.

This financial performance occurred against a year of continued change for the Fund, including changes to the Fund Rules, the introduction of improved worker entitlement arrangements and the transition of the investment advisory arrangements to JANA Investment Advisers (JANA).

These developments are significant because TasBuild is entering an increasingly mature phase of its life. Entitlement payments are now exceeding contributions received, meaning investment earnings and the effective management of the Fund's assets and liabilities are becoming increasingly important to maintaining financial strength.

The Fund's financial position provides the capacity to improve worker entitlements, maintain the discount available to compliant employers and invest in opportunities that are consistent with the Fund's long-term objectives.

Improving Workers' Entitlements

A significant development during the year was the implementation of changes to the weekly rate of pay used to calculate long service leave entitlements, effective from 1 January 2026.

The changes were developed following extensive research, actuarial analysis and long-term financial modelling. They are intended to provide a more appropriate relationship between a worker's entitlement and their current earnings when a seven-year pro rata entitlement is realised.

The actuarial assessment estimated that the changes would increase the Fund's long service leave provision by approximately $5.9 million. The analysis undertaken confirmed that the Fund has the financial capacity to absorb this impact while maintaining appropriate long-term financial strength.

The changes reflect the balance required between improving benefits for workers and maintaining the long-term sustainability of the Fund.

TasBuild's funding model also means that contributions are based on a worker's ordinary pay during their period of employment, while the eventual entitlement is influenced by factors including wage growth, investment returns and the timing of when the entitlement is accessed.

This creates an important long-term risk for the Fund. Where wage growth exceeds investment returns, for example, the value of future entitlements can increase more rapidly than the contributions originally received to fund them. Maintaining sufficient f inancial capacity is therefore essential.

Value to Employers

TasBuild's financial strength and the compliance of employers continue to support the significant discount available to employers who lodge returns and pay contributions on time.

The current discounted contribution rate is 1.80%, representing a 28% discount to the standard contribution rate.

Under a typical worker scenario, the combination of employer contributions and the compliant employer discount means that employers effectively fund approximately 54% of the entitlement ultimately paid to a worker over the first 10 years of service. This represents a saving of approximately $4,324 per worker over that period.

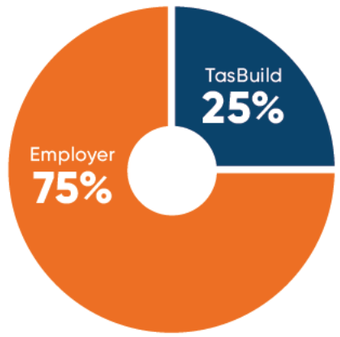
An important feature of TasBuild's model is that the Fund does not retrospectively invoice employers for wage variations that occur after contributions have been made. This provides certainty for compliant employers but means the Fund carries the investment and wage growth risk between the receipt of contributions and the eventual payment of entitlements.

The ability to improve worker benefits while maintaining the employer discount is underpinned by the Fund's long-term investment performance, financial strength and employer compliance.

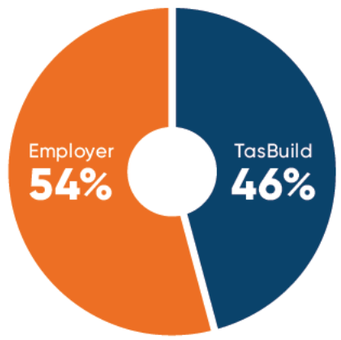
Contributions

- The contribution rate for Employers is 2.5% of the Employee Weekly Ordinary Pay (WOP). A discounted rate of 1.8% is applied for compliant and on time contributions saving 28%.
- The Discount makes a material impact on how much Employers contribute towards a workers 13 week entitlement. Savings of $4,324 for an average worker who starts as an apprentice are realised: $11,118 v $15,441.

EMPLOYER AND TASBUILD CONTRIBUTIONS SPLIT AT **2.5%**



EMPLOYER AND TASBUILD CONTRIBUTIONS SPLIT AT **1.8%**



Chief Financial Officer's Report
continued

Financial Position

TasBuild's financial position remains strong.

During the year, actuarial assumptions were updated to reflect changes to the Fund Rules, discount rates and expense assumptions. These changes are incorporated into the valuation of the Fund's long service leave liabilities.

At 30 June 2026, the Fund's Liability Coverage Ratio was 145.5%. This compares with the Board's preferred coverage level of 120% and its minimum objective of 110% of the Worker Entitlement Liability reported in the financial statements.

Key financial and investment measures

	June 2021	June 2022	June 2023	June 2024	June 2025	June 2026
Total Assets ($000)	184,889	183,091	203,295	220,350	241,913	258,216
Total Funds Invested ($000)	177,685	178,165	199,470	215,615	233,112	251,665
Actuarial Liability ($000)	134,874	122,446	130,048	151,076	160,076	176,618
Liability Coverage Ratio (%)	137.0%	149.0%	155.9%	144.5%	149.8%	145.5%

The level of coverage above the Board's preferred target provides resilience against movements in investment markets, actuarial assumptions and wage growth, which can increase the value of future worker entitlements without a corresponding retrospective adjustment to employer contributions.

The coverage level therefore represents more than a solvency buffer. It provides the Fund with capacity to manage the increasing maturity of the Scheme, support improved worker benefits, maintain the compliant employer discount and respond to changes in the economic and investment environment.

The Triennial Actuarial Review completed during the year reinforced the Fund's capacity to maintain appropriate financial coverage while continuing to offer the discounted contribution rate of 1.80% to compliant employers.

During the year, TasBuild paid $20.4 million in worker entitlements. Entitlement payments now exceed contributions received, which is an expected feature of a maturing portable long service leave scheme and is incorporated into the Fund's actuarial modelling, investment strategy and long-term financial planning.

Asset Management

TasBuild completed the transition of its investment advisory arrangements to JANA during the financial year.

The transition was managed across the Fund's investment portfolio, taking into account the different liquidity and implementation characteristics of each investment. Liquid assets such as cash and listed equities could be transitioned efficiently, while less liquid investments such as property and private credit require longer implementation periods due to their underlying structures.

The transition of listed equities was substantially completed within approximately three months, ahead of expectations. This reduced implementation and market timing risk and allowed the portfolio to align with the new investment arrangements within a relatively short period.

The transition involved coordination between TasBuild, JANA, transition managers and investment managers and provided a strong platform for implementing the revised investment strategy.

Investment Governance

The Board, supported by the Investment Committee, maintains oversight of TasBuild's investment portfolio within the Fund's investment policies and objectives.

JANA provides specialist investment advice, portfolio analysis, risk assessment and reporting to support the Board and Investment Committee. Quarterly investment education sessions also provide an opportunity for Directors and Committee members to consider developments in investment markets, portfolio positioning and emerging risks.

Investment performance, asset allocation, investment risks and the relationship between the Fund's assets and liabilities are regularly monitored.

The Fund's investment objectives and Strategic Asset Allocation are reviewed at least annually, and more frequently where required, having regard to the Fund's liability profile, maturity, risk tolerance, investment horizon and prevailing economic conditions.

Chief Financial Officer's Report
continued

Investment Objectives

TasBuild's investment strategy is designed to balance the need for long-term investment returns with the requirement to meet worker entitlements as they fall due.

The Fund's investment objectives are to:

1. Achieve an average investment return of AWOTE plus 2% per annum over rolling five-year periods, after investment fees;
2. Maintain a likelihood of a negative annual investment return of less than one year in five;
3. Maintain a likelihood of an annual investment return below -12.5% of less than one year in 20;
4. Outperform the asset-weighted investment benchmark by 0.5% per annum over rolling five-year periods, after investment management fees; and
5. Maintain a Liability Coverage Ratio of at least 110%, being the ratio of Fund assets to financial statement liabilities.

TasBuild achieved a strong investment result during the year, with an investment return of 8.4% after fees and outperformance of the SAA benchmark by 2.3%.

The Board and Investment Committee continue to assess investment performance against the Fund's objectives and relevant asset-class and industry benchmarks. The Fund's financial position, investment objectives and liability profile were key considerations in the comprehensive review of the Strategic Asset Allocation undertaken during the year.

Portfolio Composition

Following the transition to JANA, a comprehensive review of the Fund's Strategic Asset Allocation was undertaken.

The review considered the Fund's investment objectives, risk tolerance, liability profile, expected cash flows and market conditions. Investment scenarios were assessed to consider portfolio risk, diversification and the appropriate balance between internally managed assets and external investment opportunities.

The Board approved a revised Strategic Asset Allocation following the review. Implementation commenced after 30 June 2026, with the revised allocation becoming effective in August 2026.

The revised allocation increases the Fund's exposure to growth assets, particularly Australian and international equities and private equity, while retaining meaningful allocations to real assets, credit and defensive investments.

Asset Class	Previous SAA (%)	Actual* (%)	New SAA (%)
SHARES	**42.0%**	**42.0%**	**50.0%**
Australian Shares	21.0%	19.5%	12.0%
International Shares	12.0%	16.6%	15.0%
Hedged International Shares	3.0%	3.3%	15.0%
Emerging Markets Shares	6.0%	2.6%	4.0%
Private Equity	0.0%	0.0%	4.0%
REAL ASSETS	**27.2%**	**6.2%**	**12.0%**
Unlisted Property	14.5%	5.4%	5.0%
Unlisted Infrastructure	12.0%	0.0%	6.0%
Internally managed property	0.7%	0.8%	1.0%
FIXED INTEREST	**26.3%**	**48.8%**	**34.0%**
Private Credit	5.0%	4.8%	5.0%
Credit	3.0%	4.8%	12.0%
Short Maturity Diversified Debt	3.0%	22.3%	2.0%
Diversified Fixed Income	8.0%	8.1%	7.0%
Internally managed Fixed Interest	7.3%	8.8%	8.0%
CASH	**4.5%**	**3.0%**	**4.0%**
JANA Cash	2.5%	2.3%	2.0%
Internally managed cash	2.0%	0.7%	2.0%

*as at 30 June 2026 before new SAA applied

The revised allocation recognises the Fund's long-term investment horizon while also taking account of its increasingly mature liability profile.

Growth assets provide the potential for long-term capital growth, while mid-risk and defensive assets provide diversification, income and liquidity and help provide resilience through different market conditions.

The relationship between the Fund's assets and liabilities remains an important consideration. Future liabilities are influenced by wage growth, the discount rate applied to the liabilities and the timing of entitlement payments. The investment portfolio must therefore balance the pursuit of long-term returns with the need to maintain sufficient liquidity and financial resilience.

Chief Financial Officer's Report
continued

Portfolio Performance

TasBuild achieved an investment return of 8.4% after fees for the year ended 30 June 2026, outperforming the Fund's Strategic Asset Allocation benchmark by 2.3%.

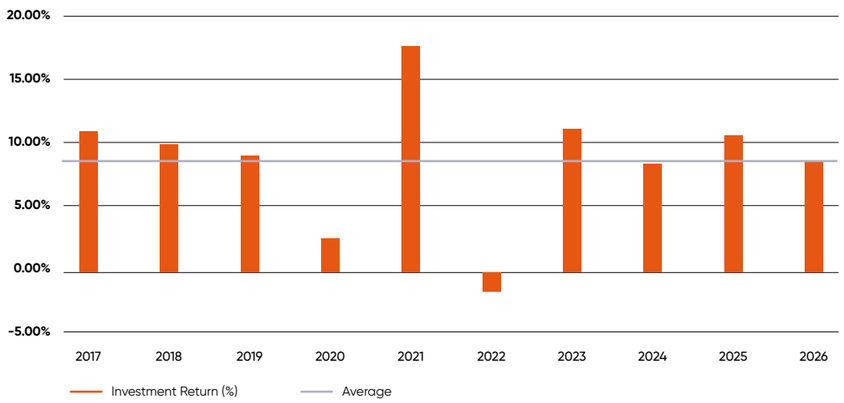
Longer-term investment performance over five and ten-year periods has also remained strong, with the Fund performing positively against relevant benchmarks and investment objectives.

Australian equities delivered positive returns during the year, supported by a resilient domestic economy. International equities also performed positively as inflation moderated and expectations around interest rate reductions developed.

Investment markets nevertheless remained subject to significant uncertainty, including geopolitical developments, trade conditions and changes in interest rate expectations. The Fund's diversified portfolio and long-term investment approach remain important in managing these risks.

The Fund's financial strength and investment performance have also increased its capacity to consider investments in less liquid assets, including unlisted property, infrastructure and private credit, where these investments are consistent with the Fund's return, risk, diversification and liquidity requirements.

Historical investment performance is highlighted in the following graph.



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

Investing in Tasmania

TasBuild's primary responsibility when investing the Fund's assets is to protect and grow the assets available to meet workers' long service leave entitlements.

All investment opportunities are therefore assessed against the Fund's investment objectives, including expected return, risk, diversification, liquidity and the relationship between the investment and the Fund's liabilities.

Where an investment can also contribute to productive economic activity in Tasmania while meeting these investment requirements, there can be an additional benefit to the Fund and the broader community.

During the year, TasBuild increased its exposure to the Tasmanian Construction Fund. The portfolio includes a new childcare centre in Devonport, which is expected to be completed in the coming months.

TasBuild also partnered with Oreana to establish exposure to a Tasmanian Private Credit Fund. The fund provides professionally managed finance to Tasmanian construction and development projects, including projects that may face challenges obtaining traditional finance.

TasBuild participates as an institutional investor in the fund rather than acting as a direct lender or developer. This provides the Fund with exposure to private credit as an investment opportunity while directing capital towards productive construction and development activity in Tasmania.

TasBuild is also progressing the development of its new Hobart premises, with construction expected to commence during the 2027 calendar year. The project is expected to require approximately $10 million of Fund capital.

The project represents a direct investment in Tasmania's construction industry and is expected to support construction activity and employment opportunities for workers within the industry in which the Scheme operates. It will also provide TasBuild with purpose-built premises, reducing reliance on leased accommodation and supporting the organisation's long-term operational requirements.

The property is expected to include areas available for third-party occupation, providing the potential for an ongoing rental income stream.

The project therefore provides both investment and operational benefits, including direct property exposure, potential rental income and the opportunity to reduce future occupancy costs.

TasBuild will continue to assess opportunities to invest in Tasmania where those investments are consistent with the Fund's investment objectives, risk requirements, diversification and liquidity needs.

Chief Financial Officer's Report
continued

Looking Ahead

TasBuild enters 2026/2027 from a position of considerable financial strength, supported by a strong asset base, a Liability Coverage Ratio of 145.5% and continued positive investment performance.

The Fund is increasingly operating in its mature phase, with entitlement payments now exceeding contributions. This makes disciplined investment management, effective asset and liability management and strong financial governance increasingly important.

The Fund's financial position provides capacity to meet its existing obligations while continuing to support improved worker benefits, the discounted contribution rate available to compliant employers and appropriate long-term investment opportunities.

The focus for the coming year will be on maintaining this financial strength, implementing the revised Strategic Asset Allocation, continuing to manage the Fund's evolving liability profile and ensuring investment decisions remain aligned with the long-term interests of workers and employers.

TasBuild has a strong foundation from which to enter its next phase. Continued financial discipline, effective governance and a long-term investment approach will remain central to protecting workers' entitlements and maintaining the sustainability of the Scheme.

Zachary Shutt
Chief Financial 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 2025–26 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 2026:

Mr John Mazengarb

Acting Independent Chair
Chair of the Investment Committee

John is an experienced non-executive director, including organisations operating in highly regulated and customer-competitive environments, and a joint owner of an independent Tasmanian-based management consultancy business – GSD Advisors Pty Ltd.

He is a Chartered Accountant and governance professional with over 30 years of consulting experience, including with PwC and IBM advising, public and private sector organisations in Tasmania, interstate and overseas. He is also highly regarded as an experienced senior-level program and project advisor, facilitator, and effective communicator in board roles and in stakeholder engagement.

During his career, he has also held several contract senior executive roles in Tasmanian Government businesses, overseeing planning and delivery of major business transformation projects.

He brings a wide range of professional services, investment management, business technologies, commercial, risk management and good governance skills to board roles he has undertaken, including previously as Independent Member of the Investment Committee for TasBuild Ltd and former Deputy Chair of CareSuper, director of Spirit Super, Tasplan and RBF, and former director and National President of Governance Institute of Australia.

Appointment: 05.03.2026
Term expires: 29.04.2030

The Board
continued

Mr Peter Lucas

Representative of the Building Industry Specialist Contractors Organisation

Peter Lucas is an active member of the Tasmania Air Conditioning industry since commencing his Apprenticeship in 1975 as a Mechanical Services Plumber. Following many years of working in the industry on many of Tasmania's largest projects including working at Davis station in Antarctica, he joined Christie and Wills P/L as Manager in 1990. He holds a Certifiers Licence in Mechanical Services, Water and Backflow Prevention.

He was previously a member of the Plumbers Registration Board, representing the Air Conditioning and Mechanical Services Association of Tasmania and is also a member of the Australian Institute of Refrigeration Air Conditioning and Heating.

He was appointed as Managing Director of Christie and Wills P/L in 1995 and the Air Conditioning and Mechanical Services Association of Tasmania in 2016, which he still holds both these current positions.

Appointment: 23.04.2026
Term expires: 23.04.2030

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: 29.04.2028

Mr Leigh Stalker

Representative of the Tasmanian Chamber of Commerce and Industry

Member of the Investment Committee

Leigh is an experienced company director and former senior executive with more than 35 years' experience across financial services, insurance and commercial environments.

He spent over three decades in senior executive and leadership roles with a major national insurer across Tasmania, New South Wales and Queensland, and later held an equity ownership and executive leadership role in an insurance advisory and risk management business operating across Tasmania, Queensland and Victoria, culminating in its successful sale to an ASX-listed organisation.

Leigh brings extensive experience in governance, strategy, risk and financial oversight, supported by a strong track record of leading large-scale, multi-jurisdiction organisations and complex stakeholder environments.

He holds a Master of Business Administration, a Graduate Diploma of Insurance, and is a Fellow of the Australian and New Zealand Institute of Insurance and Finance, and a member of the Australian Institute of Company Directors.

He currently serves on a number of boards across the Tasmanian business and community sectors.

Appointment: 23.04.2026
Term expires: 23.04.2030

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
Term expires: 22.04.2030

The Board
continued

Mr Michael Anderson

Representative of the Communications, Electrical and Plumbing Union

Member of the Investment Committee

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

He was been an official with the Communications Electrical and Plumbing Union since 2013, beginning in the construction section, and becoming State Secretary in 2018. Michael is now a Coordinator with Cbus Super.

Michael's prior 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, completed a RG146 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
Term expires: 24.04.2028

Mr William Davies

Representative Master Builders Association

William Davies is an active member of the Tasmanian construction industry, bringing a wealth of expertise in project management and operational leadership. He holds a Bachelor of Business in Marketing and Management, complemented by Diplomas in Project Management and Construction Management, and has also completed the New Leaders Development Program.

Having commenced his career as a project manager in major events, William excelled and developed strong problem solving skills while delivering temporary event infrastructure in a time critical environment. This foundation led to roles managing complex infrastructure projects in operational environments such as rail corridors and airports, where stakeholder engagement and the ability to balance competing priorities were critical to success.

William owns and manages a construction business specialising in residential housing across Tasmania. Their commitment to quality, innovation and community impact continues to shape the region's built environment, reflecting a career defined by strategic vision and operational excellence.

Appointment: 28.06.2025
Term expires: 29.04.2028

Directors' Report

The Directors of TasBuild Limited submit herewith the financial report of the Fund for the financial year ended 30 June 2026.

The Directors who held office during the reporting period were:

Director	Appointed	Ceased
Michael Shepperd	21 April 1998	22 April 2026
Peter Lucas	23 April 2026	
Kevin Harkins	16 August 2016	
Michael Anderson	7 December 2017	
Michael Bailey	20 April 2020	20 April 2026
Leigh Stalker	20 April 2026	
Susan Parr	29 April 2022	17 February 2026
Jacob Batt	29 February 2024	
David Clerk	29 February 2024	28 August 2025
John Mazengarb	4 March 2026	
William Davies	8 August 2025	

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 Operations

The net profit of the Fund for the financial year was $1,962,000 compared with a profit in the prior year of $10,955,000.

Dividends

No dividend was paid or declared during the financial year, which is consistent with the 2025 financial year.

Significant Events after Balance Date

There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the 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 have been no significant changes in the nature of the Fund's activities during the year.

Director's Report
continued

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 11.1 FTE employees as at 30 June 2026 (2025: 10.9 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	4	4
Peter Lucas	2	1
Kevin Harkins	6	4
Michael Anderson	6	6
Michael Bailey	4	2
Leigh Stalker	2	2
Susan Parr	3	3
Jacob Batt	6	5
David Clerk	–	–
John Mazengarb	2	2
William Davies	6	6

Information on Directors

Mr John Mazengarb is an experienced non-executive director and Chartered Accountant with more than 30 years' consulting experience. John has previously served as an Independent Member of the TasBuild Investment Committee and as a director of Spirit Super, Tasplan and RBF. He is currently Acting Independent Chair of the TasBuild Board.

Mr Peter Lucas is an experienced member of the Tasmanian air conditioning and mechanical services industry. He is Managing Director of Christie and Wills Pty Ltd and represents the Air Conditioning and Mechanical Services Association of Tasmania.

Mr William Davies is an active member of the Tasmanian construction industry with experience in project management and operational leadership. He owns and manages a Tasmanian construction business specialising in residential housing.

Mr Jacob Batt is the State Secretary for the AMWU. 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 former State Secretary of the CEPU and Co-ordinator for Tasmania with Cbus Super.

Mr Michael Bailey is the former Chief Executive Officer of the Tasmanian Chamber of Commerce and Industry (TCCI). Michael resigned from his position effective 20 April 2026.

Mr Michael Shepperd holds a Bachelor of Business Degree (Accounting) and is a Certified Practising Accountant. Michael did not seek reappointment at the end of his 4 year term, effective 22 April 2026.

Mr Leigh Stalker is an experienced company director and former senior executive with more than 35 years' experience across financial services, insurance and commercial environments. He is a Fellow of the Australian and New Zealand Institute of Insurance and Finance and a member of the Australian Institute of Company Directors.

Ms Susan Parr is a graduate of the Harvard Business School Program on Negotiation. A former Director of Spirit Super and previously CEO of St Ann's Homes. Susan resigned from her position effective 17 February 2026.

Mr David Clerk was CEO and executive director of The Master Builders' Association of Tasmania Inc while holding his position. David resigned effective 28 August 2025.

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:



John Mazengarb
Director



Jacob Batt
Director

9 September 2026



Primary Statements

Statement of Comprehensive Income
for the Year Ended 30 June 2026

	Note	2026 $'000	2025 $'000
Revenue			
Contributions Accrued Liability	1(k)	1,485	1,898
Monthly/Quarterly Contributions	1(k)	19,263	19,030
Income from Financial Assets	2	19,848	22,518
Gain/(Loss) on Disposal of Assets		10	7
Miscellaneous Income		4	95
Total Revenue		**40,610**	**43,548**
Expenses			
Long Service			
Benefits Paid to Members		20,388	19,125
Increase/(Decrease) in Liability to Beneficiaries		14,956	10,600
Administration			
Salaries and Associated Expenses		1,788	1,518
General Administration Expenses	3(a)	1,358	1,153
Other Expenses			
Bad Debts		13	49
Depreciation / Amortisation	3(b)	145	148
Total Expenses		**38,648**	**32,593**
Net Current Year Profit / (Loss)		**1,962**	**10,955**
Other Comprehensive Income		**–**	**–**
Total Comprehensive Income for the year		**1,962**	**10,955**
Net Profit Attributable to Members of TasBuild		**1,962**	**10,955**

The accompanying notes form part of these financial statements.

Primary Statements
continued

Statement of Financial Position
as at 30 June 2026

	Note	2026 $'000	2025 $'000
Assets			
Cash and Cash Equivalents	5	1,987	3,883
Accounts and Other Receivables	6	4,271	4,234
Financial Assets	7	249,555	231,034
Right-of-Use Assets	8	50	124
Plant and Equipment	9	239	243
Investment Property	10	2,110	1,925
Intangible Assets	11	4	6
Total Assets		**258,216**	**241,449**
Liabilities			
Accrued Charges	18	113	150
Lease Liabilities	8	83	198
Provision for Employee Benefits	12	209	208
Accrued Long Service Leave Benefits Liability	19	176,994	162,038
Total Liabilities		**177,399**	**162,594**
Net Assets		**80,817**	**78,855**
Equity			
Retained Earnings		80,817	78,855
Total Equity		**80,817**	**78,855**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
for the Year Ended 30 June 2026

	Retained Earnings $'000	Total $'000
Balance at 1 July 2024	67,900	67,900
Other Comprehensive Income	–	–
Profit / (Loss) for the Year	10,955	10,955
Balance at 30 June 2025	**78,855**	**78,855**
Balance at 1 July 2025	**78,855**	**78,855**
Other Comprehensive Income	–	–
Profit / (Loss) for the Year	1,962	1,962
Balance at 30 June 2026	**80,817**	**80,817**

The accompanying notes form part of these financial statements.

Primary Statements
continued

Statement of Cash Flows
for the Year Ended 30 June 2026

	Note	2026 $'000	2025 $'000
Cash Flows from Operating Activities			
Receipts from Contributors		20,740	20,653
Other Receipts		4	95
Interest Received		1,833	1,823
Payments to Suppliers and Employees		(3,168)	(2,582)
Liability to Beneficiaries		(20,425)	(19,113)
Net Cash Flows from / (used in) Operating Activities	17	**(1,016)**	**876**
Cash Flows from Investing Activities			
Proceeds on sale of Property, Plant & Equipment		25	–
Purchase of Property, Plant & Equipment		(80)	(34)
Purchase of / Proceeds from Financial Assets		(691)	1,707
Net Cash Flows from / (used in) Investing Activities		**(746)**	**1,673**
Cash Flows from Financing Activities			
Net Repayment of Lease Borrowings		(134)	(119)
Net Cash Flows from / (used in) Financing Activities		**(134)**	**(119)**
Net Increase / (Decrease) in Cash and Cash Equivalents		**(1,896)**	**2,430**
Cash and Cash Equivalents at Beginning of the Period		3,883	1,453
Cash and Cash Equivalents at End of the Period	5	**1,987**	**3,883**

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.

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.

Notes to the Financial Statements
For the year ended 30 June 2026

1. Summary of Material Accounting Policy Information continued

Depreciation

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

Category	2026	2025
Furniture and Fixtures	12–27%	12–27%
Office Equipment	12–27%	12–27%
Motor Vehicles	20%	20%
Computer Equipment	27%	27%
Leasehold Improvements	33%	33%

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.

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.

Notes to the Financial Statements
For the year ended 30 June 2026

1. Summary of Material Accounting Policy Information continued

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.

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.

Notes to the Financial Statements
For the year ended 30 June 2026

1. Summary of Material Accounting Policy Information continued

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.

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% (2025: 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.

Notes to the Financial Statements
For the year ended 30 June 2026

1. Summary of Material Accounting Policy Information continued

(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

The contribution rate is set at 2.5%, with a discount rate of 1.8% applied to employers who are compliant with reporting and pay on time. Income is recognised when returns are lodged by employers.

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.

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), if applicable, 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

(i) Key Estimates

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 2026-1 *Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements*

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

(r) Subsequent Events

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

Notes to the Financial Statements
For the year ended 30 June 2026

	2026 $'000	2025 $'000
2. Income from Financial Assets		
(a) Domestic Market		
Interest Income	1,833	1,823
(b) Funds Held by Fund Managers		
Portfolio Income	18,015	20,695
Total Income from Financial Assets	**19,848**	**22,518**
3. Expenses		
(a) General Administration Expenses		
Postage	13	12
Telephone	14	16
Printing and Stationery	28	23
General Expenses	212	169
Consultancies	46	12
IT Expenses (excluding depreciation)	367	294
Board Members' Allowances	292	269
Audit Fees	38	19
Vehicle Expenses (excluding depreciation)	10	18
Legal Expenses	227	223
Actuarial Services	51	60
Advertising and Promotion	60	38
Total General Administration Expenses	**1,358**	**1,153**
(b) Depreciation / Amortisation		
Office Equipment	5	5
Motor Vehicles	23	20
Computer Equipment	8	5
Furniture and Fixtures	5	4
Office Lease	75	75
Leasehold Improvements	29	39
Total Depreciation	**145**	**148**

	2026 $'000	2025 $'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	19	18
Total Auditors Remuneration	**19**	**18**
5. Cash and Cash Equivalents		
Cash at bank and in hand	1,987	3,883

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	2026 $'000	2025 $'000
6. Trade and Other Receivables			
Current			
Trade Receivables	6(a)	4,429	4,534
Provision for Impairment	6(b)	(467)	(500)
Accrued Interest		214	152
Prepayments		45	16
GST Receivable/(Payable)		50	32
Total Current Trade and Other Receivables		**4,271**	**4,234**

(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.

Notes to the Financial Statements
For the year ended 30 June 2026

6. Trade and Other Receivables continued

(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	2026 $'000	2025 $'000
7. Financial Assets			
Term Deposits	7(b)	–	1,400
Funds Under Management	7(a)	227,277	210,316
Loans Receivable	7(b)	22,278	19,318
Total Investments		**249,555**	**231,034**
(a) Financial Assets Measured at Fair Value through Profit or Loss			
Funds Under Management		227,277	210,316
		227,277	210,316
(b) Financial Assets at Amortised Cost			
Term Deposits		–	1,400
Loans Receivable		22,278	19,318
		22,278	20,718

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.

	Note	2026 $'000	2025 $'000
8. Right-of-Use Assets			
Right of Use Asset		224	224
Less Accumulated Amortisation		(174)	(100)
Total Right-of-Use Assets	8(a)	**50**	**124**
(a) Movements in Carrying Amounts			
Carrying amount at beginning		124	199
Additions		–	–
Amortisation expense		(74)	(75)
Carrying amount at end		50	124
Lease Liability			
Current		83	115
Non-Current		–	83
Total Lease Liability		**83**	**198**
9. Plant and Equipment			
Office Equipment at cost		24	22
Less Accumulated Depreciation		(14)	(10)
	9(a)	10	12
Motor Vehicles at cost		155	134
Less Accumulated Depreciation		(45)	(41)
	9(a)	110	93
Computer Equipment at cost		100	95
Less Accumulated Depreciation		(77)	(68)
	9(a)	23	27
Furniture and Fixtures at cost		61	55
Less Accumulated Depreciation		(25)	(21)
	9(a)	36	34
Leasehold Improvements		142	130
Less Accumulated Depreciation		(82)	(53)
	9(a)	60	77
Total Plant and Equipment		**239**	**243**

Notes to the Financial Statements
For the year ended 30 June 2026

9. Plant and Equipment continued

	2026 $'000	2025 $'000
(a) Movements in Carrying Amounts		
Office Equipment		
Carrying amount at beginning	12	9
Additions	1	6
Depreciation expense	(3)	(3)
Carrying amount at end	10	12
Motor Vehicles		
Carrying amount at beginning	93	99
Additions	56	48
Disposals	(16)	(34)
Depreciation Expense	(23)	(20)
Carrying amount at end	110	93
Computer Equipment		
Carrying amount at beginning	27	14
Additions	4	18
Depreciation expense	(8)	(5)
Carrying amount at end	23	27
Furniture and Fixtures		
Carrying amount at beginning	34	36
Additions	7	2
Depreciation expense	(5)	(4)
Carrying amount at end	36	34
Leasehold Improvements		
Carrying amount at beginning	77	116
Additions	12	–
Depreciation expense	(29)	(39)
Carrying amount at end	60	77

	2026 $'000	2025 $'000
10. Investment Property		
Balance at Beginning of year	1,925	1,565
Additions	185	360
Balance at end of year	**2,110**	**1,925**

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	2026 $'000	2025 $'000
11. Intangible Assets			
Computer Software at cost		28	28
Less Accumulated Depreciation	11(a)	(24)	(22)
		4	**6**
(a) Movements in Carrying Amounts			
Computer Software			
Carrying amount at beginning		6	8
Depreciation Expense		(2)	(2)
Carrying amount at end		**4**	**6**

	2026 $'000	2025 $'000
12. Provision for Employee Benefits		
Current	162	154
Non-Current	47	54
Total Provision for Employee Benefits	**209**	**208**

Notes to the Financial Statements
For the year ended 30 June 2026

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.

	2026 $'000	2025 $'000
14. Related Party Transactions		
(a) Directors and Key Management Personnel Remuneration		
Short-term benefits	317	273
Post-employment benefits	48	38
	365	**311**
(b) Other Related Parties		
Fees paid to the bodies which nominate a Director:	196	194

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

15. Contingent Assets and Contingent Liabilities

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

16. Events after the Reporting Period

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

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

	2026 $'000	2025 $'000
Net Profit / (Loss)	1,962	10,955
Adjustments for:		
(Profit)/Loss on Sale of Plant and Equipment	(10)	(7)
Reinvestment of Financial Asset Income	(18,015)	(20,695)
Depreciation	70	74
Amortisation of Right-of-Use Asset	75	75
Interest on Lease Liability	19	16
Changes in Assets and Liabilities:		
(Increase)/Decrease in Receivables and Other Assets	(8)	(275)
(Increase)/Decrease in Prepaid Expenses	(29)	18
Increase/(Decrease) in Employee Provisions	1	64
Increase/(Decrease) in Liability to Beneficiaries	14,956	10,600
Increase/(Decrease) in Other Liabilities	(37)	51
Net Cash Increase/(Decrease) from Operating Activities	**(1,016)**	**876**

Notes to the Financial Statements
For the year ended 30 June 2026

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.

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. JANA is TasBuild's current investment adviser.

The fund manager 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.

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, as at 30 June 2026, exposing them to market price risk:

Cash and Other	2.5%
Australian Shares	21.7%
Overseas Shares	25.1%
Property and Infrastructure	6.0%
Bonds	44.7%

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.

Notes to the Financial Statements
For the year ended 30 June 2026

18. Financial Risk Management Objectives and Policies
continued

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

Liquidity Risk

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

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

	Contractual Cash Flows		Due Less than 1 month	
Financial Liabilities	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Accrued Charges	113	150	113	150
Total	**113**	**150**	**113**	**150**

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.

19. Accrued Long Service Leave Benefits Liability

Long Service Leave Benefits Liability Verified by Actuary

A significant factor impacting the Fund's provision during the 2026 financial year has been the unwinding of discounting which has added around $6.7m. Other significant factors have been the accrual of new service days and the benefits paid to members. New accrual of service has added $21.2m to the provision, while benefits paid during the year have reduced the provision by $20.4m. In addition, the valuation method has been modified to use the last weekly pay rather than average weekly pay, resulting in a increase of the provision by $5.1m.

	2026 $'000	2025 $'000
Current	22,133	18,425
Non-Current	154,861	143,613
Total Accrued Long Service Benefits Liability	**176,994**	**162,038**
Movement in Provision		
Value of provision at start of period	**162,038**	**151,438**
Allowance for administration at start of period	(6,700)	(6,300)
	155,338	**145,138**
Change in provision due to:		
– Unwinding of interest / discounting	6,681	7,185
Impact of change in benefit rules	5,121	(4,161)
Impact of benefit accrual and payments		
– New accrual of service days accrued in period	21,266	21,178
– Benefits paid to members in period	(20,396)	(19,137)
– Change in provision for self-employed workers	165	159
Demographic Factors		
– Change in provision for self-employed workers	112	–
Economic Factors		
– Change in discount rate	(7,338)	5,878
– Change in assumed future wage inflation rate	7,362	–
– Wage increases higher than assumed	3,464	1,847
Other Factors	(1,581)	(2,649)
Provision at end, excluding administration expenses	170,294	155,438
Allowance for administration	6,700	6,600
Value of provision at end of period	**176,994**	**162,038**

Notes to the Financial Statements
For the year ended 30 June 2026

19. Accrued Long Service Leave Benefits Liability continued

Actuarial Statement

We have carried out an investigation of the fund as at 30 June 2026 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 $176.994 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: 24 August 2026

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 2026 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.

John Mazengarb
Director

Jacob Batt
Director

9 September 2026

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 2026, 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. giving a true and fair view of the company's financial position as at 30 June 2026 and of its performance for the year ended on that date; and

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The 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 2026 but does not include the financial report and our auditor's report thereon.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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
Partner

Date: 9/9/2026

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