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Government

22 23

Australian Capital Territory

Budget

Delivering for Canberrans:
now and into the future

ACT Long Service Leave Authority
Statement of Intent

Structure and Content of the 2022-23 Budget Papers

The 2022-23 Budget is presented in two papers and a series of agency Budget Statements.

Budget Speech

The Treasurer's speech to the Legislative Assembly highlights the Government's Budget strategy and key features of the Budget.

Budget Outlook

The Budget Outlook summarises the 2022-23 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government. Details of the projected 2022-23 Budget results are provided, as well as background information on the development of the 2022-23 Budget, including economic conditions and federal financial relations. It also provides an overview of the Territory's infrastructure investment program and details of 2022-23 initiatives. Full accrual financial statements and notes are provided for all sectors.

Budget Statements

The Budget Statements contain information on each directorate and agency, including descriptions of functions and roles and responsibilities, together with major strategic priorities.

Acknowledgement



We acknowledge the Traditional Custodians of the ACT, the Ngunnawal people. We acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region

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**Long Service Leave
Authority**

Statement of Intent

2022-23

LONG SERVICE LEAVE AUTHORITY

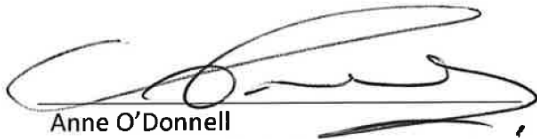
The Long Service Leave Authority is a Territory Authority established under the *Long Service Leave (Portable Schemes) Act 2009*.

This Statement of Intent for 2022-23 has been prepared in accordance with Section 61 of the *Financial Management Act 1996*.

The responsible Minister, Mr Mick Gentleman, was consulted during the preparation of the Statement of Intent.

The Statement of Intent, which focuses on the 2022-23 Budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the Long Service Leave Authority's strategic and business planning processes.

The Long Service Leave Authority's 2022-23 Statement of Intent has been agreed between:



Anne O'Donnell
Chairperson on behalf of the Governing
Board



Andrew Barr MLA
Treasurer



Mick Gentleman MLA
Minister for Industrial Relations and
Workplace Safety

Contents

Purpose.....	4
Nature and scope of activities.....	4
Performance measures and targets	6
Employment profile.....	9
Monitoring and reporting	11
Financial arrangements	11
Attachment 1 - Organisational Chart for Long Service Leave Authority	36

Long Service Leave Authority

Purpose

The Long Service Leave Authority (the Authority) was established under the *Long Service Leave (Portable Schemes) Act 2009* (the Act) to administer portable long service leave benefit schemes for workers in the ACT engaged in the building and construction industry, contract cleaning industry, security industry and the community sector. The primary objectives of the Authority are to ensure that:

- eligible employers and their employees are registered with the Authority;
- long service leave payments to employees and contractors, and reimbursements to employers, are made in accordance with the Act;
- employers' contribution levies are collected efficiently and effectively; and
- long service leave funds are invested prudently, with the objective being to ensure a modest long-term surplus of assets over liabilities in matured schemes.

Nature and scope of activities

General activities

The Authority engages in the following activities in order to achieve its stated objectives:

- undertake day-to-day operational activities, including collecting worker service credit information and levy contributions from employers, along with the processing and payment of all long service leave claims, in an accurate and timely manner;
- investment of employer contributions to ensure there are sufficient funds to meet all long service leave payments;
- undertake regular reviews of the Investment Plan, to keep pace with changing conditions;
- maintain a compliance program to ensure eligible employers and employees are registered in the schemes; and
- monitor the operation of its database to ensure data integrity.

Business Priorities in 2022-23

The Authority will pursue the following priorities in 2022-23:

- increase community knowledge and understanding of the portable long service leave schemes, in particular around employer obligations and worker entitlements;
- maintain sound working relationships with relevant stakeholder groups;
- the development and deployment of a new IT administration system;
- continue to trial and implement a range of flexible working arrangements that support our clients and stakeholders, meet the stated objectives and expected outcomes of the Authority and enhance the working lives of our staff; and

- focus on data-driven decision making supported by the Authority's performance metrics.

Risks

Investment risk

- The Authority is required to prudently invest long service leave employer contributions to ensure that there are sufficient assets to meet long service leave liabilities. A key risk for the Authority is that funds are not invested appropriately. The Authority ensures that funds are invested in accordance with the Strategic Asset Allocation outlined in the Investment Strategy, undertaking monthly rebalancing activities and checks and reviewing cash flow requirements regularly in light of market conditions.

Information technology risk

- The Authority is heavily dependent on its IT systems, and as such the appropriate and reliable functioning of IT systems, effective management of data integrity, and maintaining overall system security are critical to successful business continuity. IT risks are mitigated through regular activities such as penetration testing, system monitoring and daily database backups. In addition, the Authority has an IT disaster recovery plan which targets a Recovery Time Objective of no more than 24 hours, which is tested annually. System control and other IT related audits are regularly undertaken as part of the Authority's internal audit program. The Authority is undertaking a project to develop and deploy a new administration system which will enhance current Customer Relationship Management (CRM) capabilities and functionality as well as strengthening system stability, security, and storage.

Contribution Levy payment risk

- An ongoing risk to the Authority is that eligible employers do not register, declare service for employees or pay the required contribution levy. The Authority mitigates this risk by ensuring that it has a comprehensive Compliance and Education Strategy in place and compliance activities are undertaken in a thorough and systematic way. Authority Compliance staff monitor the activity of covered industries in the Territory and liaise with workers, employers and their representative associations to ensure that all eligible employers and employees are registered. The Authority also works cooperatively with other ACT Government organisations to promote awareness of portable long service leave arrangements and obligations with mutual client groups.

Key performance indicators for 2022-23 to 2025-26

Objective	Measure	Target	Target	Target	Target
		2022-23	2023-24	2024-25	2025-26
Manage appropriate processes to identify and register employers and their employees under relevant schemes.	Percentage of employer registrations completed within 10 working days of receipt of a correctly completed and verified application form.	100%	100%	100%	100%
	Number of employers identified for registration as a result of the Authority's compliance activities.	120	120	120	120
Ensure that employers' contribution levies are collected efficiently and effectively.	Percentage of employer returns and payments submitted by due date (five working days after the end of the month following the relevant quarter).	80%	80%	80%	80%
Ensure that payments to employees and contractors are made in accordance with the Act.	Percentage of payments completed within 10 working days of receipt of a correctly completed and verified claim form.	95%	98%	98%	98%
Ensure that long service leave administered schemes' funds are invested to ensure a long-term surplus of assets over liabilities.	Annual net return for each administered scheme on funds under management is in accordance with the Investment Plan.	2.5% above AWE ¹ averaged over five years for each scheme	2.5% above AWE averaged over five years for each scheme	2.5% above AWE averaged over five years for each scheme	2.5% above AWE averaged over five years for each scheme
Ensure each scheme has adequate assets to meet its liabilities.	The ratio of total assets over total liabilities as at 30 June of the financial year for each administered scheme is maintained at least of the target.	110%	110%	110%	110%

¹ The measure of AWE used is Australian Average Weekly Ordinary Time Earnings (AWOTE) published by the Australian Bureau of Statistics.

Assessment of performance against 2021-22 objectives

Objective	Measure	Planned 2021-22	Est. Outcome 2021-22	Explanation of variance
Ensure the maximum number of eligible employers and their employees are registered with the Authority.	Percentage of employer registrations completed within 10 working days of receipt of a correctly completed and verified application form.	100%	100%	N/A
	Number of employers identified for registration as a result of the Authority's compliance activities.	95	150	The Authority's compliance program incorporated a range of investigative, and employer educational, activities which resulted in a higher than anticipated number of employers identified for registration in 2021-22.
	Percentage of missing service claims resolved within 28 business days.	80%	80%	N/A
	Contact registered employees who have not had service recorded for 2 years or more to check if they have been working in the industry.	500	500	N/A
	Annual statements made available to employees by 30 September.	100%	100%	N/A
Ensure that employers' contribution levies are collected efficiently and effectively.	Percentage of employer returns and payments submitted by due date (five working days after the end of the month following the relevant quarter).	80%	83%	Estimated outcome is expected to exceed target as at 30 June 2022.

Objective	Measure	Planned 2021-22	Est. Outcome 2021-22	Explanation of variance
Ensure that payments to employees, contractors and reimbursements to employers are made in accordance with the Act.	Percentage of payments completed within 10 working days of receipt of a correctly completed and verified claim form.	95%	99%	Estimated outcome is expected to exceed target as at 30 June 2022.
Ensure that long service leave administered schemes' funds are invested to ensure a long-term surplus of assets over liabilities.	Annual net return for each administered scheme on funds under management in accordance with the Investment Plan.	2.5% above AWE averaged over five years for each scheme (equivalent to the target of 5.05%).	Construction: 8.4% Cleaning: 8.3% Community: 8.2% Security: 8.3%	Despite a negative performance in 2019-20, positive market returns in 2017-18, 2018-19, and in 2020-21 have resulted in the annualised average return expected to be above AWE exceeding target.
Ensure each scheme has adequate assets to meet its liabilities.	The ratio of total assets over total liabilities as at 30 June of the financial year for each administered scheme is maintained at least of the target.	110%	Construction: 112% Cleaning: 175% ² Community: 114% Security: 122%	All four schemes are expected to exceed the target as at 30 June 2022.

² The assets over liabilities ratio for the Contract Cleaning scheme was higher than the target of 110% due to better than expected investment returns achieved over the past few years and lower than anticipated long service leave liabilities growth estimated by the Actuary. The scheme's levy rate was reduced from 2% to 1.6% in April 2015, with a subsequent reduction in April 2018 to 1.2%, and a further reduction to the current 1.07% from 1 July 2021 following the Actuary's triennial long service leave liability evaluation in 2020.

Employment profile

The Authority's staff are officers of the ACT Public Service, employed under the *Public Sector Management Act 1994*. The Registrar is also the Chief Executive Officer (CEO) of the Authority and a non-voting member of the Authority's Governing Board. The CEO is employed under a long-term executive contract. All other staff are covered under the ACT Public Service Administrative and Related Classifications Enterprise Agreement.

Organisation form

- The organisational structure of the Authority is provided at [Attachment 1](#).

Workplace Health and Safety (WH&S)

- The Authority ensures its operations and practices comply with the *Work Health and Safety Act 2011*. In addition to providing ongoing training and updates on the Act to staff, the Authority liaises with the Injury Management and Safety Team within CMTEDD for advice on any WH&S issues.
- Over the 2022-23 Budget year, the Authority will continue to implement appropriate and effective work health and safety policies, procedures and practices with the aim of providing ongoing support, preventing injuries to staff and reducing compensation costs where possible.

Consultants and contractors

- The Authority engages external consultants or contractors from time to time to meet the Authority's operational needs. The Authority is bound by the provisions of the *Government Procurement Act 2001* and the *Government Procurement Regulations 2007* when contracting for goods and services.
- The Authority discloses its use of consultants and contractors in its annual report.

Long Service Leave Authority organisational profile at 30 June 2022

Position	Actual Outcome as at 30/6/22	Est. FTE 2022-23	Years of Service as at 30/6/22	Gender 2021-22	
				M	F
Registrar & Chief Executive (SES 1.3)	1	1	7	-	1
Chief Operations Officer (SOG B)	1	1	0.7	-	1
Chief Finance Officer (SOG B)	1	1	0.3	-	1
Senior Operations Manager (SOG C)	1	1	23	1	-
Compliance Manager (ASO 6)	1	1	4	-	1
Finance Manager (ASO 6)	1	1	4.5	-	1
Client Services Manager (ASO 6)	1	1	3.5	1	-
Benefits Manager (ASO 6)	1	1	14	-	1
Senior Benefits Officer (ASO 5)	2	2	8, 6	-	2
Benefits Officer (ASO 4)	0.6	0.6	9	-	0.6
Senior Client Services Officer (ASO 5)	1	1	3.5	-	1
Client Services Officer (ASO 4)	3.9	3.9	4, 2, 0.5, 0.2	1.9	2
Compliance Officer (ASO 5)	2	2	3.7, 1.3	2	-
Office Manager (ASO 5)	1	1	0.8	-	1
Finance Officer (ASO 4)	1	1	0.8	-	1
Total	19.5	19.5		5.9	13.6

Age of workforce	FTE 2021-22	FTE 2022-23
	Actual	Estimate
Under 35 years	5.6	5.6
35 – 55 years	12.9	10.9
Over 55 years	1	3

Monitoring and reporting

The Long Service Leave Authority shall satisfy the requirements of the Chief Minister's Annual Report Directions. The Long Service Leave Authority Annual Report will, amongst other things, report against the requirements of this Statement of Intent. The Authority is not funded by budget appropriation and its accounts are not consolidated into the whole of government budget.

Annual reporting

As part of preparations for end of year reporting, the Chief Minister, Treasury and Economic Development Directorate will advise the dates when the following documents are required at the Chief Minister, Treasury and Economic Development Directorate and at the Auditor-General's Office:

- a) Certified financial statements.
- b) Management discussion and analysis.
- c) A full and accurate set of audited financial records for the preceding financial year in the form requested.

Financial arrangements

The budgeted financial statements included in this Statement of Intent reflect the financial activities of the Authority.

In 2022-23 the Authority is expecting to make an overall operating deficit of \$5.623 million. This consolidated result is aggregated from each administered scheme's budgeted 2022-23 operating results below:

- Construction: operating deficit of \$3.926 million;
- Cleaning: operating deficit of \$0.675 million;
- Community: operating deficit of \$0.598 million; and
- Security: operating deficit of \$0.424 million.

Financial statements

Budgeted financial statements for the 2022-23 Budget year, as well as forward estimates for the three financial years commencing 2023-24 appear below. These general purpose financial statements have been prepared in accordance with the ACT's Model Financial Statements and include:

- a) Operating Statement;
- b) Balance Sheet;
- c) Statement of Changes in Equity;
- d) Cash Flow Statement;
- e) Notes to the Financial Statements as appropriate; and
- f) Individual Scheme Financial Statements.

ACT Long Service Leave Authority (Consolidated)
Operating Statement

2021-22		2021-22	2022-23		2023-24	2024-25	2025-26
Budget		Est. Outcome	Budget	Var	Estimate	Estimate	Estimate
\$'000		\$'000	\$'000	%	\$'000	\$'000	\$'000
	Income						
	Revenue						
30,429	Contributions Received	30,390	31,787	5	33,217	34,636	36,023
4,422	Gains from Remeasurement of Assets	1,039	1,252	21	1,340	1,431	1,520
6,630	Investment Income	9,375	11,288	20	12,091	12,899	13,692
850	Other	713	781	10	811	841	873
42,331	Total Revenue	41,517	45,108	9	47,459	49,807	52,108
	Expenses						
486	Depreciation and Amortisation	444	217	-51	188	186	188
1,367	Supplies and Services	1,187	1,612	36	756	732	758
43,261	Long Service Leave Benefit	37,480	46,003	23	49,637	53,032	56,458
2,428	Employee Expenses	2,545	2,610	3	2,673	2,760	2,834
268	Other	291	289	-1	290	292	294
47,810	Total Expenses	41,947	50,731	21	53,544	57,002	60,532
-5,479	Operating Result	-430	-5,623	1,208	-6,085	-7,195	-8,424
-5,479	Total Comprehensive Income	-430	-5,623	-1,208	-6,085	-7,195	-8,424

ACT Long Service Leave Authority (Consolidated)
Balance Sheet

Budget as at 30/6/22 \$'000		Est. Outcome as at 30/6/22 \$'000	Planned as at 30/6/23 \$'000	Var %	Planned as at 30/6/24 \$'000	Planned as at 30/6/25 \$'000	Planned as at 30/6/26 \$'000
Current Assets							
6,023	Cash Assets	6,010	5,171	-14	4,603	4,032	3,472
10,541	Receivables	11,234	11,773	5	12,322	12,868	13,399
245,146	Investments	258,693	278,585	8	299,618	320,648	341,085
261,710	Total Current Assets	275,937	295,529	7	316,543	337,548	357,956
Non Current Assets							
1,806	Property, Plant and Equipment	1,984	1,815	-9	1,649	1,486	1,325
16	Intangibles	2	0	-100	0	0	0
1,822	Total Non Current Assets	1,986	1,815	-9	1,649	1,486	1,325
263,532	TOTAL ASSETS	277,923	297,344	7	318,192	339,034	359,281
Current Liabilities							
919	Payables	765	787	3	810	834	859
114	Lease Liability	118	121	3	124	127	130
189,896	Provision for Long Service Leave Benefits	179,851	198,661	10	224,011	253,789	279,312
656	Employee Benefits	913	938	3	964	990	1017
191,585	Total Current Liabilities	181,647	200,507	10	225,909	255,740	281,318
Non Current Liabilities							
1,741	Lease Liability	1,711	1,566	-8	1,421	1,276	1,131
43,736	Provision for Long Service Leave Benefits	40,641	46,968	16	48,642	46,991	50,227
46	Employee Benefits	60	62	3	64	66	68
45,523	Total Non Current Liabilities	42,412	48,596	15	50,127	48,333	51,426
237,108	TOTAL LIABILITIES	224,059	249,103	11	276,036	304,073	332,744
26,424	NET ASSETS	53,864	48,241	-10	42,156	34,961	26,537
EQUITY							
26,424	Accumulated Funds	53,864	48,241	-10	42,156	34,961	26,537
26,424	TOTAL EQUITY	53,864	48,241	-10	42,156	34,961	26,537

ACT Long Service Leave Authority (Consolidated)
Statement of Changes in Equity

Budget as at 30/6/22 \$'000		Est. Outcome as at 30/6/22 \$'000	Planned as at 30/6/23 \$'000	Var %	Planned as at 30/6/24 \$'000	Planned as at 30/6/25 \$'000	Planned as at 30/6/26 \$'000
31,903	Opening Balance	54,294	53,864	-1	48,241	42,156	34,961
-5,479	Operating Result for the Period	-430	-5,623	-1,208	-6,085	-7,195	-8,424
-5,479	Total Comprehensive Income	-430	-5,623	-1,208	-6,085	-7,195	-8,424
26,424	Closing Balance	53,864	48,241	-10	42,156	34,961	26,537

ACT Long Service Leave Authority (Consolidated)
Cash Flow Statement

2021-22 Budget \$'000		2021-22 Est. Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
29,663	Contributions from Employers and Contractors	29,455	31,082	6	32,640	33,990	35,466
896	Other	946	1,014	7	1,046	1,077	1,109
30,559	Operating Receipts	30,401	32,096	6	33,686	35,067	36,575
Payments							
19,083	Payments of Long Service Leave Benefits	20,450	20,866	2	22,613	24,905	27,699
3,697	Payment to Suppliers and Employees	3,932	4,422	12	3,629	3,692	3,792
389	Other	185	192	4	197	209	215
23,169	Operating Payments	24,567	25,480	4	26,439	28,806	31,706
7,390	NET CASH INFLOWS/(OUTFLOW) FROM OPERATING ACTIVITIES	5,834	6,616	13	7,247	6,261	4,869
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
170	Proceeds on Sale of Investments	0	500	#	340	610	990
170	Investing Receipts	0	500	#	340	610	990
Payments							
0	Purchases of Property, Plant and Equipment	2	0	-100	0	0	0
50	Purchases of Intangibles	4	0	-100	0	0	0
7,085	Purchases of Investments	5,690	7,842	38	8,040	7,325	6,300
7,135	Investing Payments	5,696	7,842	38	8,040	7,325	6,300
-6,965	NET CASH FLOWS FROM INVESTING ACTIVITIES	-5,696	-7,342	-29	-7,700	-6,715	-5,310
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments							
111	Repayment of Lease Liabilities - Principal	106	113	7	115	117	119
111	Financing Payments	106	113	7	115	117	119
-111	NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES	-106	-113	-7	-115	-117	-119
314	NET INCREASE/(DECREASE) IN CASH HELD	32	-839	2,722	-568	-571	-560
5,709	CASH AT THE BEGINNING OF THE REPORTING PERIOD	5,978	6,010	1	5,171	4,603	4,032
6,023	CASH AT THE END OF THE REPORTING PERIOD	6,010	5,171	-14	4,603	4,032	3,472

Notes to the Financial Statements

Significant variations are as follows:

Operating Statement

- Contributions received:
 - the increase of \$1.397 million in the 2022-23 budget from the 2021-22 estimated outcome is mainly due to an increase of contribution levy revenue expected to be collected from a moderate growth of all four covered industries in the ACT.
- Gains from remeasurement of assets and investment income (total investment return includes gains and investment distribution income):
 - the decrease of \$0.638 million in the 2021-22 estimated outcome from the original budget was largely due to an expected return of 3.1% per annum in 2021-22 compared to 4.5% per annum anticipated in the budget; and
 - the increase of \$2.126 million in the 2022-23 budget from the 2021-22 estimated outcome is mainly due to the long-term investment return of 4.5% per annum expected to be achieved in 2022-23 compared to 3.1% per annum anticipated in 2021-22.
- Depreciation and amortisation:
 - the decrease of \$0.227 million in the 2022-23 budget from the 2021-22 estimated outcome is mainly due to a decrease of amortisation costs from LeaveTrack which is expected to be fully amortised in 2021-22 as a new IT system is anticipated to replace LeaveTrack in 2023.
- Supplies and services:
 - The increase of \$0.425 million in the 2022-23 budget from the 2021-22 estimated outcome is largely due to the anticipated costs to be incurred on the IT system replacement project.
- Long service leave benefit expenses:
 - the decrease of \$5.781 million in the 2021-22 estimated outcome from the original budget was due to revisions in the actuarial forecast for the present value of the long term long service leave liability and a higher than anticipated long service leave claims paid from the Building and Construction Industry scheme and the Community Sector Scheme in 2021-22 compared to the original budget; and
 - the increase of \$8.523 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to the actuarial reviews of the present value of the long-term long service leave liability for the four administered schemes. All four schemes' long service leave expenses are forecast to rise with the growth mainly from the Building and Construction Industry scheme (\$6.012 million) and the Community Sector Scheme (\$2.492 million).

Balance Sheet

- Cash:
 - the decrease of \$0.839 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the increase payment of long service leave claims and additional investments in 2022-23.
- Receivables:
 - the increase of \$0.693 million in the 2021-22 estimated outcome from the original budget is mainly due to a moderate increase of the contribution levy revenue and investment income of the April to June quarter expected to be received in 2021-22.
- Investments:
 - the increase of \$13.547 million in the 2021-22 estimated outcome from the original budget was mainly due to the flow-on effect of much higher than anticipated investment return achieved (21.1% per annum) in 2020-21 compared to the expected long term asset return rate of 4.5% per annum when the original budget was prepared; and
 - the increase of \$19.892 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the anticipated 4.5% per annum long-term return (\$11.641 million) to be achieved in 2022-23 and additional investment (\$7.842 million) expected to be made in 2022-23.
- Current and non-current provision for long service leave benefit liabilities:
 - The decrease of \$13.140 million in the 2021-22 estimated outcome from the original budget and the increase of \$25.137 million in the 2022-23 budget from the 2021-22 estimated outcome is a result of the revised actuarial valuation, based on the projected number of workers, wage growth, and other actuarial demographic assumptions, for all administered schemes.

Statement of Changes in Equity

Variations in the statement are explained in the notes above.

Statement of Cash Flow

Variations in the statement are explained in the notes above.

Cash flow patterns of the four administered schemes vary in accordance with the phase of maturity of each scheme. For example, the Community Sector scheme (commenced in July 2010) is expected to be operating cash flow positive in the out years mainly due to a levy rate increase from 1 July 2021³ and lower than anticipated long service leave claim applications received by eligible members. The Security scheme is expected to be operating cash flow positive for the out years until 2025-26 because of a much later scheme commencement date (1 January 2013). The Contract Cleaning scheme which has been long matured since it was established in 2000 is expected to be cash flow negative from its operating activities in the budget and out years due to a levy reduction from 1 July 2021 with its cash flow shortfall to be supplemented by investment income. The Building and Construction scheme, established in 1981, is also expected to be close to cash neutral from its operating activities mainly due to the expected growth in the Building and Construction industry in the ACT, offset by a moderate increase in the long service leave claim payments projected by the actuary.

³ The Authority's actuary is required to review the appropriateness of the scheme levy rates at least once every 3 years. The latest actuarial review conducted in 2020 resulted in Board decisions to increase the Community Sector scheme's levy rate by 40 basis points (from 1.2% to 1.6%) and to reduce the Contract Cleaning scheme's levy rate by 13 basis points (from 1.2% to 1.07%) from 1 July 2021. The Authority monitors and adjusts the levy rates to ensure the sustainability of the administered schemes is maintained and the assets over liability ratio for all schemes are kept at or towards the current target of 110 per cent.

Individual Scheme Financial Statements

ACT Construction Industry Long Service Leave Scheme Operating Statement

2021-22 Budget \$'000		2021-22 Est. Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
	Income						
15,551	Contributions Received	15,281	15,884	4	16,501	17,144	17,776
2,671	Gains from Remeasurement of Assets	642	739	15	772	806	840
4,006	Investment Income	5,783	6,660	15	6,955	7,259	7,563
935	Other Revenue	869	935	8	964	992	1,022
23,163	Total Income	22,575	24,218	7	25,192	26,201	27,201
	Expenses						
433	Depreciation and Amortisation	397	179	-55	153	154	158
568	Supplies and Services	503	717	43	341	338	347
25,215	Long Service Leave Benefit	19,924	25,936	30	27,651	29,502	31,482
1020	Employee Expenses	1040	1,066	3	1,092	1,122	1,153
183	Other	244	246	1	249	252	255
27,419	Total Expenses	22,108	28,144	27	29,486	31,368	33,395
-4,256	Operating Result	467	-3,926	-941	-4,294	-5,167	-6,194
-4,256	Total Comprehensive Income	467	-3,926	-941	-4,294	-5,167	-6,194

**ACT Construction Industry Long Service Leave Scheme
Balance Sheet**

Budget	Est. Outcome	Planned		Planned	Planned	Planned
as at 30/6/2022	as at 30/6/22	as at 30/6/23	Var	as at 30/6/24	as at 30/6/25	as at 30/6/26
\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000
Current Assets						
3,456	3,257	2,528	-22	1,543	1,522	1,090
6,071	6,257	6,252	0	6,426	6,608	6,785
147,047	156,181	164,127	5	172,916	180,892	189,210
156,574	165,695	172,907	4	180,885	189,022	197,085
Non Current Assets						
1,494	1,507	1,376	-9	1,245	1,114	983
16	2	0	-100	0	0	0
1,510	1,509	1,376	-9	1,245	1,114	983
158,084	167,204	174,283	4	182,130	190,136	198,068
Current Liabilities						
667	582	599	3	617	636	655
114	118	121	3	124	127	130
110,816	105,261	109,656	4	116,635	125,265	135,573
459	524	538	3	553	568	584
112,056	106,485	110,914	4	117,929	126,596	136,942
Non Current Liabilities						
1,741	1,711	1,566	-8	1,421	1,276	1,131
33,506	29,663	36,383	23	41,653	46,303	50,227
23	26	27	4	28	29	30
35,270	31,400	37,976	21	43,102	47,608	51,388
147,326	137,885	148,890	8	161,031	174,204	188,330
10,758	29,319	25,393	-13	21,099	15,932	9,738
EQUITY						
10,758	29,319	25,393	-13	21,099	15,932	9,738
10,758	29,319	25,393	-13	21,099	15,932	9,738

**ACT Construction Industry Long Service Leave Scheme
Statement of Changes in Equity**

Budget as at 30/6/22 \$'000		Est. Outcome as at 30/6/22 \$'000	Planned as at 30/6/23 \$'000	Var %	Planned as at 30/6/24 \$'000	Planned as at 30/6/25 \$'000	Planned as at 30/6/26 \$'000
15,014	Opening Balance	28,852	29,319	2	25,393	21,099	15,932
-4,256	Operating Result for the Period	467	-3,926	-941	-4,294	-5,167	-6,194
-4,256	Total Comprehensive Income	467	-3,926	-941	-4,294	-5,167	-6,194
10,758	Closing Balance	29,319	25,393	-13	21,099	15,932	9,738

ACT Construction Industry Long Service Leave Scheme
Cash Flow Statement

2021-22		2021-22	2022-23		2023-24	2024-25	2025-26
Budget		Est. Outcome	Budget	Var	Estimate	Estimate	Estimate
\$'000		\$'000	\$'000	%	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
15,575	Contributions from Employers and Contractors	14,863	15,733	6	16,346	16,983	17,618
700	Other	859	925	8	954	982	1,012
16,275	Operating Receipts	15,722	16,658	6	17,300	17,965	18,630
Payments							
13,713	Payments of Long Service Leave Benefits	14,527	14,821	2	15,402	16,222	17,250
1,506	Payment to Suppliers and Employees	1,543	1,783	16	1,433	1,460	1,500
186	Other	165	170	3	175	187	193
15,405	Operating Payments	16,235	16,774	3	17,010	17,869	18,943
870	NET CASH FLOWS FROM OPERATING ACTIVITIES	-513	-116	77	290	96	-313
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
0	Proceeds on Sale of Investments	0	0	-	0	0	0
0	Investing Receipts	0	0	-	0	0	0
Payments							
0	Purchases of Property, Plant and Equipment	2	0	-100	0	0	0
50	Purchases of Intangibles	4	0	-100	0	0	0
525	Purchase of Investments	-	500	#	1,160	0	0
575	Investing Payments	6	500	8,233	1,160	0	0
-575	NET CASH FLOWS FROM INVESTING ACTIVITY	-6	-500	-8,233	-1,160	0	0
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments							
111	Repayment of Lease Liabilities - Principal	106	113	7	115	117	119
111	Financing Payments	106	113	7	115	117	119
-111	NET CASH FLOWS FROM FINANCING ACTIVITY	-106	-113	-7	-115	-117	-119
184	NET INCREASE/(DECREASE) IN CASH HELD	-625	-729	-17	-985	-21	-432
3,272	CASH AT THE BEGINNING OF THE REPORTING PERIOD	3,882	3,257	-16	2,528	1,543	1,522
3,456	CASH AT THE END OF THE REPORTING PERIOD	3,257	2,528	-22	1,543	1,522	1,090

**ACT Cleaning Industry Long Service Leave Scheme
Operating Statement**

2021-22 Budget \$'000		2021-22 Est. Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
	Income						
	Revenue						
1,236	Contributions Received	1,167	1,258	8	1,317	1,366	1,410
321	Gains from Investments	78	91	17	93	95	97
481	Investment Income	707	826	17	846	863	874
10	Other	9	10	11	10	11	12
2,048	Total Revenue	1,961	2,185	11	2,266	2,335	2,393
	Expenses						
2,163	Long Service Leave Benefit	2,174	2,396	10	2,546	2,688	2,806
243	Employee Expenses	255	262	3	268	288	295
183	Supplies and Services	159	195	23	121	112	115
14	Other	7	7	-	6	6	6
2,603	Total Expenses	2,595	2,860	10	2,941	3,094	3,222
-555	Operating Result	-634	-675	-6	-675	-759	-829
-555	Total Comprehensive Income	-634	-675	-6	-675	-759	-829

ACT Cleaning Industry Long Service Leave Scheme
Balance Sheet

Budget as at 30/6/2022 \$'000		Est. Outcome as at 30/6/22 \$'000	Planned as at 30/6/23 \$'000	Var %	Planned as at 30/6/24 \$'000	Planned as at 30/6/25 \$'000	Planned as at 30/6/26 \$'000
Current Assets							
209	Cash Assets	301	298	-1	152	142	141
523	Receivables	530	593	12	616	636	653
18,028	Investments	19,778	20,165	2	20,764	21,112	21,293
18,760	Total Current Assets	20,609	21,056	2	21,532	21,890	22,087
18,760	TOTAL ASSETS	20,609	21,056	2	21,532	21,890	22,087
Current Liabilities							
47	Payables	38	39	3	40	41	42
10,126	Provision for Long Service Leave Benefits	10,833	11,810	9	13,287	14,974	15,996
75	Employee Benefits	92	95	3	98	101	104
10,248	Total Current Liabilities	10,963	11,944	9	13,425	15,116	16,142
Non Current Liabilities							
942	Provision for Long Service Leave Benefits	763	904	18	574	0	0
4	Employee Benefits	6	6	-	6	6	6
946	Total Non Current Liabilities	769	910	18	580	6	6
11,194	TOTAL LIABILITIES	11,732	12,854	10	14,005	15,122	16,148
7,566	NET ASSETS	8,877	8,202	-8	7,527	6,768	5,939
EQUITY							
7,566	Accumulated Funds	8,877	8,202	-8	7,527	6,768	5,939
7,566	TOTAL EQUITY	8,877	8,202	-8	7,527	6,768	5,939

**ACT Cleaning Industry Long Service Leave Scheme
Statement of Changes in Equity**

Budget		Est. Outcome	Planned		Planned	Planned	Planned
as at 30/6/22		as at 30/6/22	as at 30/6/23	Var	as at 30/6/24	as at 30/6/25	as at 30/6/26
\$'000		\$'000	\$'000	%	\$'000	\$'000	\$'000
8,121	Opening Balance	9,511	8,877	-7	8,202	7,527	6,768
	Accumulated Funds						
-555	Operating Result for the Period	-634	-675	-6	-675	-759	-829
-555	Total Comprehensive Income	-634	-675	-6	-675	-759	-829
7,566	Closing Balance	8,877	8,202	-8	7,527	6,768	5,939

**ACT Cleaning Industry Long Service Leave Scheme
Cash Flow Statement**

2021-22 Budget \$'000		2021-22 Est. Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
1,256	Contributions from Employers and Contractors	1,294	1,225	-5	1,294	1,346	1,394
44	Other	9	9	-	10	11	11
1,300	Operating Receipts	1,303	1,234	-5	1,304	1,357	1,405
Payments							
1,103	Payments of Long Service Leave Benefits	569	1,278	125	1,399	1,575	1,784
385	Payment to Suppliers and Employees	414	457	10	389	400	410
38	Other	0	2	#	2	2	2
1,526	Operating Payments	983	1,737	77	1,790	1,977	2,196
-226	NET CASH FLOWS FROM OPERATING ACTIVITIES	320	-503	-257	-486	-620	-791
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
170	Proceeds on Sale of Investments	0	500	#	340	610	790
170	Investing Receipts	0	500	#	340	610	790
Payments							
0	Purchases of Investments	260	0	-100	0	0	0
0	Investing Payments	260	0	-100	0	0	0
170	NET CASH FLOWS FROM INVESTING ACTIVITIES	-260	500	292	340	610	790
-56	NET INCREASE/(DECREASE) IN CASH HELD	60	-3	-105	-146	-10	-1
265	CASH AT THE BEGINNING OF THE REPORTING PERIOD	241	301	25	298	152	142
209	CASH AT THE END OF THE REPORTING PERIOD	301	298	-1	152	142	141

ACT Community Sector Long Service Leave Scheme Operating Statement

2021-22		2021-22	2022-23		2023-24	2024-25	2025-26
Budget		Est. Outcome	Budget	Var	Estimate	Estimate	Estimate
\$'000		\$'000	\$'000	%	\$'000	\$'000	\$'000
	Income						
	Revenue						
12,791	Contributions Received	13,080	13,775	5	14,512	15,219	15,911
1300	Gains from Remeasurement of Assets	290	386	33	437	490	541
80	Other Revenue	31	32	3	33	34	35
1,949	Investment Income	2,618	3,476	33	3,942	4,410	4,873
16,120	Total Revenue	16,019	17,669	10	18,924	20,153	21,360
	Expenses						
53	Depreciation and Amortisation	47	38	-19	35	32	30
700	Supplies and Services	641	798	24	423	421	434
14,583	Long Service Leave Benefits	13,754	16,246	18	17,928	19,244	20,494
1044	Employee Expenses	1,122	1,151	3	1,179	1,212	1,245
57	Other Expenses	37	34	-8	33	32	31
16,437	Total Expenses	15,601	18,267	17	19,598	20,941	22,234
-317	Operating Result	418	-598	-243	-674	-788	-874
-317	Total Comprehensive Income	418	-598	-243	-674	-788	-874

ACT Community Sector Long Service Leave Scheme Balance Sheet

Budget as at 30/6/22 \$'000		Est. Outcome as at 30/6/22 \$'000	Planned as at 30/6/23 \$'000	Var %	Planned as at 30/6/24 \$'000	Planned as at 30/6/25 \$'000	Planned as at 30/6/26 \$'000
Current Assets							
2,136	Cash Assets	2,346	2,137	-9	2,693	2,193	2,020
3,685	Receivables	4,142	4,602	11	4,942	5,275	5,602
72,975	Investments	75,249	86,411	15	97,590	109,864	121,578
78,796	Total Current Assets	81,737	93,150	14	105,225	117,332	129,200
Non Current Assets							
312	Property, Plant and Equipment	477	439	-8	404	372	342
312	Total Non Current Assets	477	439	-8	404	372	342
79,108	TOTAL ASSETS	82,214	93,589	14	105,629	117,704	129,542
Current Liabilities							
200	Payables	141	145	3	149	153	158
64,016	Provision for Long Service Leave Benefits	58,952	71,382	21	86,939	104,886	117,584
108	Employee Benefits	279	287	3	295	303	311
64,324	Total Current Liabilities	59,372	71,814	21	87,383	105,342	118,053
Non Current Liabilities							
7,704	Provision for Long Service Leave Benefits	8,423	7,953	-6	5,097	0	0
16	Employee Benefits	25	26	4	27	28	29
7,720	Total Non Current Liabilities	8,448	7,979	-6	5,124	28	29
72,044	TOTAL LIABILITIES	67,820	79,793	18	92,507	105,370	118,082
7,064	NET ASSETS	14,394	13,796	-4	13,122	12,334	11,460
EQUITY							
7,064	Accumulated Funds	14,394	13,796	-4	13,122	12,334	11,460
7,064	TOTAL EQUITY	14,394	13,796	-4	13,122	12,334	11,460

**ACT Community Sector Long Service Leave Scheme
Statement of Changes in Equity**

Budget as at 30/6/22 \$'000		Est. Outcome as at 30/6/22 \$'000	Planned as at 30/6/23 \$'000	Var %	Planned as at 30/6/24 \$'000	Planned as at 30/6/25 \$'000	Planned as at 30/6/26 \$'000
7,381	Opening Balance	13,976	14,394	3	13,796	13,122	12,334
-317	Operating Result for the Period	418	-598	-243	-674	-788	-874
-317	Total Comprehensive Income	418	-598	-243	-674	-788	-874
7,064	Closing Balance	14,394	13,796	-4	13,122	12,334	11,460

ACT Community Sector Long Service Leave Scheme Cash Flow Statement

2021-22 Budget \$'000		2021-22 Est. Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
11,983	Contributions from Employers and contractors	12,442	13,263	7	14,120	14,760	15,533
150	Other	67	69	3	71	73	75
12,133	Operating Receipts	12,509	13,332	7	14,191	14,833	15,608
Payments							
3,884	Payments of LSL Benefits	4,957	4,286	-14	5,227	6,394	7,796
1,600	Payment to Suppliers and Employees	1,763	1,949	11	1,602	1,633	1,679
144	Other	6	6	-	6	6	6
5,628	Operating Payments	6,726	6,241	-7	6,835	8,033	9,481
6,505	NET CASH FLOWS FROM OPERATING ACTIVITIES	5,783	7,091	23	7,356	6,800	6,127
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
0	Proceeds on Sale of Investments	0	0	-	0	0	0
0	Investing Receipts	0	0	-	0	0	0
Payments							
0	Purchases of Property, Plant and Equipment	0	0	-	0	0	0
6,320	Purchases of Investments	5,170	7,300	41	6,800	7,300	6,300
6,320	Investing Payments	5,170	7,300	41	6,800	7,300	6,300
-6,320	NET CASH FLOWS FROM INVESTING ACTIVITIES	-5,170	-7,300	-41	-6,800	-7,300	-6,300
185	NET INCREASE/(DECREASE) IN CASH HELD	613	-209	-134	556	-500	-173
1,951	CASH AT THE BEGINNING OF THE REPORTING PERIOD	1,733	2,346	35	2,137	2,693	2,193
2,136	CASH AT THE END OF REPORTING PERIOD	2,346	2,137	-9	2,693	2,193	2,020

**ACT Security Industry Long Service Leave Scheme
Operating Statement**

2021-22 Budget \$'000	2021-22 Est. Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
Income						
Revenue						
851	862	870	1	887	907	926
130	29	36	24	38	40	42
194	267	326	22	348	367	382
5	4	4	-	4	4	4
1,180	1,162	1,236	6	1,277	1,318	1,354
Expenses						
1,300	1,628	1,425	-12	1,512	1,598	1,676
121	128	131	2	134	138	141
96	84	102	21	71	61	62
14	3	2	-33	2	2	2
1,531	1,843	1,660	-10	1,719	1,799	1,881
-351	-681	- 424	38	-442	-481	-527
-351	-681	- 424	38	-442	-481	-527

**ACT Security Industry Long Service Leave Scheme
Balance Sheet**

Budget as at 30/6/22 \$'000	Est. Outcome as at 30/6/22 \$'000	Planned as at 30/6/23 \$'000	Var %	Planned as at 30/6/24 \$'000	Planned as at 30/6/25 \$'000	Planned as at 30/6/26 \$'000
Current Assets						
222	106	208	96	215	175	221
262	305	326	7	338	349	359
7,096	7,485	7,882	5	8,348	8,780	9,004
7,580	7,896	8,416	7	8,901	9,304	9,584
7,580	7,896	8,416	7	8,901	9,304	9,584
Current Liabilities						
5	4	4	-	4	4	4
4,938	4,805	5,813	21	7,150	8,664	10,159
14	18	18	-	18	18	18
4,957	4,827	5,835	21	7,172	8,686	10,181
Non Current Liabilities						
1,584	1,792	1,728	-4	1,318	688	-
3	3	3	-	3	3	3
1,587	1,795	1,731	-4	1,321	691	3
6,544	6,622	7,566	14	8,493	9,377	10,184
1,036	1,274	850	-33	408	-73	-600
EQUITY						
1,036	1,274	850	-33	408	-73	-600
1,036	1,274	850	-33	408	-73	-600

**ACT Security Industry Long Service Leave Scheme
Statement of Changes in Equity**

Budget as at 30/6/22 \$'000		Est. Outcome as at 30/6/22 \$'000	Planned as at 30/6/23 \$'000	Var %	Planned as at 30/6/24 \$'000	Planned as at 30/6/25 \$'000	Planned as at 30/6/26 \$'000
1,387	Opening Balance	1,955	1,274	-35	850	408	-73
-351	Operating Result for the Period	-681	-424	38	-442	-481	-527
-351	Total Comprehensive Income	-681	-424	38	-442	-481	-527
1,036	Closing Balance	1,274	850	-33	408	-73	-600

**ACT Security Industry Long Service Leave Scheme
Cash Flow Statement**

2021- 22		2021-22	2022-23		2023-24	2024-25	2025-26
Budget		Est. Outcome	Budget	Var	Estimate	Estimate	Estimate
\$'000		\$'000	\$'000	%	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
849	Contributions from Employers and contractors	856	861	1	880	901	921
2	Other	11	11	-	11	11	11
851	Operating Receipts	867	872	1	891	912	932
Payments							
383	Payments of Long Service Leave Benefits	397	481	21	585	714	869
206	Payment to Suppliers and Employees	212	233	10	205	199	203
21	Other	14	14	-	14	14	14
610	Operating Payments	623	728	17	804	927	1,086
241	NET CASH FLOWS FROM OPERATING ACTIVITIES	244	144	-41	87	-15	-154
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
0	Proceeds on Sale of Investments	0	0	-	0	0	200
0	Investing Receipts	0	0	-	0	0	200
Payments							
240	Purchases of Investments	260	42	-84	80	25	-
240	Investing Payments	260	42	-84	80	25	-
-240	NET CASH FLOWS FROM INVESTING ACTIVITIES	-260	-42	84	-80	-25	200
1	NET INCREASE/(DECREASE) IN CASH HELD	-16	102	738	7	-40	46
221	CASH AT THE BEGINNING OF THE REPORTING PERIOD	122	106	-13	208	215	175
222	CASH AT THE END OF REPORTINGN PERIOD	106	208	96	215	175	221

Attachment 1 - Organisational Chart for Long Service Leave Authority

