**Long Service Leave**

**Authority**

**Statement of Intent**

**2021‑22**

LONG SERVICE LEAVE AUTHORITY

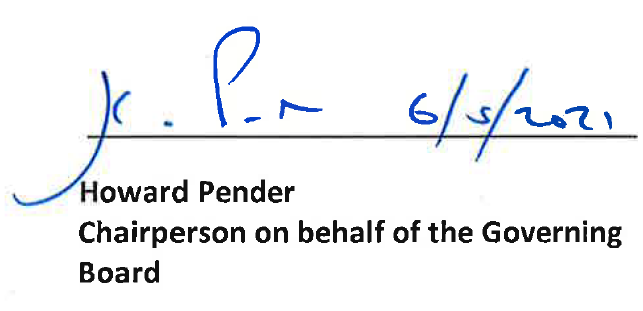
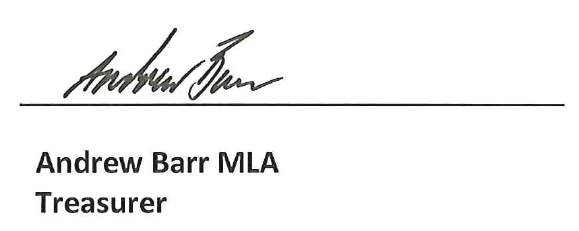
The Long Service Leave Authority is a Territory Authority established under the *Long Service Leave (Portable Schemes) Act 2009*.

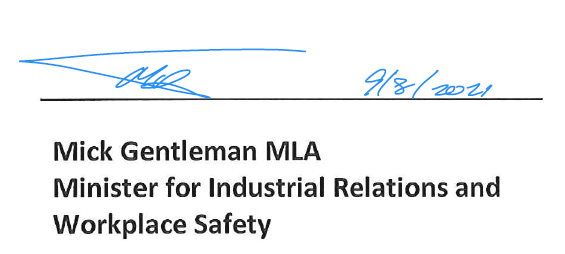
This Statement of Intent for 2021-22 has been prepared in accordance with Section 61 of the *Financial Management Act 1996.*

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

The Statement of Intent, which focuses on the 2021-22 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 2021-22 Statement of Intent has been agreed between:



Contents

[Purpose 4](#_Toc450743415)

[**Nature and scope of activities 4**](#_Toc450743416)

[**Performance measures and targets**](#_Toc450743419) **6**

[**Employment profile 10**](#_Toc450743421)

[**Monitoring and reporting 1**](#_Toc450743422)**2**

[**Financial arrangements 1**](#_Toc450743424)**2**

[Attachment 1 - Organisational Chart for Long Service Leave Authority 3](#_Toc450743428)7

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:

* the maximum number of 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 the maximum number of eligible employers and employees are registered in the schemes; and
* monitor the operation of its database to ensure data integrity.

#### Business Priorities in 2021-22

The Authority will pursue the following priorities in 2021-22:

* closely review and monitor the appropriateness of the current Investment Plan and associated investment arrangements, including the strategic asset allocation;
* the development and deployment of a new administration IT system;
* maintain sound working relationships with relevant stakeholder groups;
* increase community knowledge and understanding of the portable long service leave schemes, in particular employer obligations and worker entitlements; 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 a reduction in the value of funds invested as a result of volatile market conditions. The Authority reviews its investment strategy regularly in light of market conditions.

#### Information technology risk

* The Authority is heavily dependent on its IT systems, therefore the continued functionality of the system, the integrity of data held, and overall system security are significant risks. These risks are mitigated through regular penetration testing, system monitoring and daily database backups. The Authority has an IT disaster recovery plan that can restore full operational capability of the IT system within 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 IT system across 2021-22 which will improve the current Customer Relationship Management (CRM) capabilities and functionality as well as enhancing 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 its Compliance Team monitors the activity of covered industries in the Territory and liaises 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 2021-22 to 2024-25

| **Objective** | **Measure** | **Target**  **2021‑22** | **Target**  **2022‑23** | **Target**  **2023‑24** | **Target**  **2024‑25** |
| --- | --- | --- | --- | --- | --- |
| 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% | 100% | 100% |
| Number of employers identified for registration as a result of the Authority’s compliance activities. | 95 | 95 | 95 | 95 |
| Percentage of missing service claims resolved within 28 business days. | 80% | 80% | 80% | 80% |
| Contact registered employees who have not had service recorded for 2 years or more to check if they have been working in a covered industry. | 500 | 500 | 500 | 500 |
|  | Annual statements made available to employees by 30 September. | 100% | 100% | 100% | 100% |
| 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]](#footnote-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% |

## Assessment of performance against 2020-21 objectives

| **Objective** | **Measure** | **Planned 2020‑21** | **Est. Outcome 2020‑21** | **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 | 95 | N/A |
| 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% | Higher performance expected in line with past experience. |
| 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. | 93% | 100% | Higher performance expected in line with past experience. |
| 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 5.18%). | Construction: 7.8%  Cleaning: 7.8%  Community: 7.8%  Security: 7.9% | Despite a negative performance in 2019-20, solid market returns from 2016-17 to 2018-19, and in 2020-21, have resulted in the annualised average return 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: 111%  Cleaning:180%[[2]](#footnote-2)  Community:112%  Security:125% | All four schemes are expected to exceed the target as at 30 June 2021 mainly due to better than anticipated investment performance. |

## 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 from 2018 to 2023. All other staff are covered under the ACT Public Service 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 are in compliance 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 2021‑22 Budget year, the Authority will continue to implement appropriate and effective work health and safety policies and procedures 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 in response to 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 also discloses its use of consultants and contractors in its annual report.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Long Service Leave Authority organisational profile at 30 June 2021** | | | | | | |
| **Position** | | **Actual Outcome**  **as at 30/6/21** | **Est. FTE**  **2021‑22** | **Years of Service**  **as at 30/6/21** | **Gender**  **2020‑21**  **M F** | |
| Registrar & Chief Executive (SES 1.3) | | 1 | 1 | 6 | - | 1 |
| Chief Operations Officer (SOG B) | | 1 | 1 | 2.5 | 1 | - |
| Chief Finance Officer (SOG B) | | 1 | 1 | 10 | - | 1 |
| Senior Operations Manager (SOG C) | | 1 | 1 | 22 | 1 | - |
| Compliance Manager (ASO 6) | | 1 | 1 | 3 | - | 1 |
| Finance Manager  (ASO 6) | | 1 | 1 | 3.5 | - | 1 |
| Customer Service Manager  (ASO 6) | | 1 | 1 | 2.5 | 1 | - |
| Benefits Manager  (ASO 6) | | 1 | 1 | 13 | - | 1 |
| Senior Benefits Officer  (ASO 5) | | 2 | 2 | 7, 3 | - | 2 |
| Benefit Support Officer (ASO 4) | | 0.6 | 0.6 | 8 | - | 0.6 |
| Client Services Team Leader (ASO 5) | | 1 | 1 | 2.5 | - | 1 |
| Client Services Officer  (ASO 4) | | 3.8 | 3.8 | 5, 2, 1.5, 1 | 1 | 2.8 |
| Compliance Officer  (ASO 5) | | 2 | 2 | 2.7, 0.3 | 2 | - |
| Office Manager  (ASO 5) | | 1 | 1 | 2.7 | - | 1 |
| Finance Officer  (ASO 4) | | 1 | 1 | 0.8 | - | 1 |
| **Total** | | **19.4** | **19.4** |  | **6** | **13.4** |
|  | |  |  |  |  |  |
| **Age of workforce** |  |  | **FTE 2020‑21 Actual** | **FTE 2021‑22 Estimate** | |
| Under 35 years |  |  | 6.4 | 6.4 | |
| 35 – 55 years |  |  | 12 | 11 | |
| Over 55 years |  |  | 1 | 2 | |

## 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:

1. Certified financial statements.
2. Management discussion and analysis.
3. 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 2021‑22 the Authority is expecting to make an overall operating deficit of $5.479 million. This consolidated result is aggregated from each administered scheme’s budgeted 2021‑22 operating results below:

* Construction: operating deficit of $4.256 million;
* Cleaning: operating deficit of $0.555 million;
* Community: operating deficit of $0.317 million; and
* Security: operating deficit of $0.351 million.

## Financial statements

Budgeted financial statements for the 2021-22 Budget year, as well as forward estimates for the three financial years commencing 2022-23 appear below. These general purpose financial statements have been prepared in accordance with the ACT’s Model Financial Statements and include:

1. Operating Statement;
2. Balance Sheet;
3. Statement of Changes in Equity;
4. Cash Flow Statement;
5. Notes to the Financial Statements as appropriate; and
6. Individual Scheme Financial Statements.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Long Service Leave Authority (Consolidated)** | | | | | | | |
| **Operating Statement** | | | | | | | |
| **2020-21** |  | **2020-21** | **2021-22** |  | **2022-23** | **2023-24** | **2024-25** | |
| **Budget** | **Est. Outcome** | **Budget** | **Var** | **Estimate** | **Estimate** | **Estimate** | |
| **$’000** | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** | |
|  | **Income** |  |  |  |  |  |  | |
|  | **Revenue** |  |  |  |  |  |  | |
| 26,009 | Contributions Received | 25,999 | 30,429 | 17 | 31,867 | 33,280 | 34,711 | |
| 984 | Gains from Remeasurement of Assets | 10,422 | 4,422 | -58 | 4,762 | 5,108 | 5,449 | |
| 8,861 | Investment Income | 15,633 | 6,630 | -58 | 7,143 | 7,660 | 8,172 | |
| 1,022 | Other | 892 | 850 | -5 | 962 | 993 | 1,025 | |
| **36,876** | **Total Revenue** | **52,946** | **42,331** | **-20** | **44,734** | **47,041** | **49,357** | |
|  | **Expenses** |  |  |  |  |  |  | |
| 299 | Depreciation and Amortisation | 445 | 486 | 9 | 193 | 183 | 176 | |
| 1,104 | Supplies and Services | 1,073 | 1,367 | 27 | 654 | 661 | 734 | |
| 34,894 | Long Service Leave Benefit | 34,619 | 43,261 | 25 | 46,856 | 50,201 | 53,599 | |
| 2,303 | Employee Expenses | 2,416 | 2,428 | 0 | 2,441 | 2,526 | 2,613 | |
| 294 | Other | 466 | 268 | -42 | 269 | 272 | 274 | |
| **38,894** | **Total Expenses** | **39,019** | **47,810** | **23** | **50,413** | **53,843** | **57,396** | |
| **-2,018** | **Operating Result** | **13,927** | **-5,479** | **139** | **-5,679** | **-6,802** | **-8,039** | |
| **-2,018** | **Total Comprehensive Income** | **13,927** | **-5,479** | **-139** | **-5,679** | **-6,802** | **-8,039** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Long Service Leave Authority (Consolidated)** | | | | | | | |
| **Balance Sheet** | | | | | | | |
| **Budget** |  | **Est. Outcome** | **Planned** |  | **Planned** | **Planned** | **Planned** |
| **as at 30/6/21** |  | **as at 30/6/21** | **as at 30/6/22** | **Var** | **as at 30/6/23** | **as at 30/6/24** | **as at 30/6/25** |
| **$’000** |  | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** |
|  | **Current Assets** |  |  |  |  |  |  |
| 5,907 | Cash Assets | 5,709 | 6,023 | 6 | 6,378 | 6,161 | 5,362 |
| 10,735 | Receivables | 10,596 | 10,541 | -1 | 10,794 | 11,773 | 12,155 |
| 17 | Other | 0 | 0 | - | 0 | 0 | 0 |
| 209,847 | Investments | 226,498 | 245,146 | 8 | 265,173 | 285,099 | 305,740 |
| **226,506** | **Total Current Assets** | **242,803** | **261,710** | **8** | **282,345** | **303,033** | **323,257** |
|  | **Non Current Assets** |  |  |  |  |  |  |
| 2,026 | Property, Plant and Equipment | 2,039 | 1,806 | -11 | 1,578 | 1,350 | 1,121 |
| 365 | Intangibles | 220 | 16 | -93 | 13 | 10 | 7 |
| **2,391** | **Total Non Current Assets** | **2,259** | **1,822** | **-19** | **1,591** | **1,360** | **1,128** |
| **228,897** | **TOTAL ASSETS** | **245,062** | **263,532** | **8** | **283,936** | **304,393** | **324,385** |
|  | **Current Liabilities** |  |  |  |  |  |  |
| 912 | Payables | 993 | 919 | -7 | 947 | 973 | 1,000 |
| 107 | Lease Liability | 107 | 114 | 7 | 120 | 129 | 137 |
| 172,957 | Provision for Long Service Leave Benefits | 172,957 | 189,896 | 10 | 212,367 | 238,874 | 262,614 |
| 571 | Employee Benefits | 701 | 656 | -6 | 707 | 763 | 819 |
| **174,547** | **Total Current Liabilities** | **174,758** | **191,585** | **10** | **214,141** | **240,739** | **264,570** |
|  | **Non Current Liabilities** |  |  |  |  |  |  |
| 1,855 | Lease Liability | 1,855 | 1,741 | -6 | 1,621 | 1,492 | 1,372 |
| 36,507 | Provision for Long Service Leave Benefits | 36,507 | 43,736 | 20 | 47,375 | 48,156 | 52,468 |
| 32 | Employee Benefits | 39 | 46 | 18 | 54 | 63 | 71 |
| **38,394** | **Total Non Current Liabilities** | **38,401** | **45,523** | **19** | **49,050** | **49,711** | **53,911** |
| **212,941** | **TOTAL LIABILITIES** | **213,159** | **237,108** | **11** | **263,191** | **290,450** | **318,481** |
| **15,956** | **NET ASSETS** | **31,903** | **26,424** | **-17** | **20,745** | **13,943** | **5,904** |
|  | **EQUITY** |  |  |  |  |  |  |
| 15,956 | Accumulated Funds | 31,903 | 26,424 | -17 | 20,745 | 13,943 | 5,904 |
| **15,956** | **TOTAL EQUITY** | **31,903** | **26,424** | **-17** | **20,745** | **13,943** | **5,904** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | | | | | |
| **ACT Long Service Leave Authority (Consolidated)** | | | | | | | |
| **Statement of Changes in Equity** | | | | | | | |
| **Budget** |  | **Est. Outcome** | **Planned** |  | **Planned** | **Planned** | **Planned** |
| **as at 30/6/21** |  | **as at 30/6/21** | **as at 30/6/22** | **Var** | **as at 30/6/23** | **as at 30/6/24** | **as at 30/6/25** |
| **$’000** |  | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** |
| **17,974** | **Opening Balance** | **17,976** | **31,903** | **77** | **26,424** | **20,745** | **13,943** |
| -2,018 | Operating Result for the Period | 13,927 | -5,479 | -139 | -5,679 | -6,802 | -8,039 |
| **-2,018** | **Total Comprehensive Income** | **13,927** | **-5,479** | **-139** | **-5,679** | **-6,802** | **-8,039** |
| **15,956** | **Closing Balance** | **31,903** | **26,424** | **-17** | **20,745** | **13,943** | **5,904** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Long Service Leave Authority (Consolidated)** | | | | | | | |
| **Cash Flow Statement** | | | | | | | |
| **2020-21** |  | **2020-21** | **2021-22** |  | **2022-23** | **2023-24** | **2024-25** |
| **Budget** |  | **Est. Outcome** | **Budget** | **Var** | **Estimate** | **Estimate** | **Estimate** |
| **$’000** |  | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** |
|  | **CASH FLOWS FROM OPERATING ACTIVITIES** |  |  |  |  |  |  |
|  | **Receipts** |  |  |  |  |  |  |
| 25,536 | Contributions from Employers and Contractors | 26,367 | 29,663 | 13 | 31,921 | 33,045 | 34,323 |
| 6,464 | Distribution from Investment Portfolios | 6,464 | 0 | -100 | 0 | 0 | 0 |
| 1,057 | Other | 818 | 896 | 10 | 891 | 902 | 909 |
| **33,057** | **Operating Receipts** | **33,649** | **30,559** | **-9** | **32,812** | **33,947** | **35,232** |
|  | **Payments** |  |  |  |  |  |  |
| 17,196 | Payments of Long Service Leave Benefits | 16,933 | 19,083 | 13 | 20,746 | 22,913 | 25,547 |
| 3,417 | Payment to Suppliers and Employees | 3,548 | 3,697 | 4 | 3,186 | 3,278 | 3,429 |
| 263 | Other | 388 | 389 | 0 | 392 | 392 | 395 |
| **20,876** | **Operating Payments** | **20,869** | **23,169** | **11** | **24,324** | **26,583** | **29,371** |
| **12,181** | **NET CASH INFLOWS/(OUTFLOW) FROM OPERATING ACTIVITIES** | **12,780** | **7,390** | **-42** | **8,488** | **7,364** | **5,861** |
|  | **CASH FLOWS FROM INVESTING ACTIVITIES** |  |  |  |  |  |  |
|  | **Receipts** |  |  |  |  |  |  |
| 20 | Proceeds on Sale of Investments | 0 | 170 | # | 160 | 360 | 560 |
| **20** | **Investing Receipts** | **0** | **170** | # | **160** | **360** | **560** |
|  | **Payments** |  |  |  |  |  |  |
| 0 | Purchases of Property, Plant and Equipment | 2 | 0 | -100 | 0 | 0 | 0 |
| 50 | Purchases of Intangibles | 20 | 50 | 150 | 0 | 0 | 0 |
| 13,723 | Purchases of Investments | 14,528 | 7,085 | -51 | 8,180 | 7,826 | 7,103 |
| **13,773** | **Investing Payments** | **14,550** | **7,135** | **-51** | **8,180** | **7,826** | **7,103** |
| **-13,753** | **NET CASH FLOWS FROM INVESTING ACTIVITIES** | **-14,550** | **-6,965** | **52** | **-8,020** | **-7,466** | **-6,543** |
|  | **CASH FLOWS FROM FINANCING ACTIVITIES** |  |  |  |  |  |  |
|  | **Payments** |  |  |  |  |  |  |
| 109 | Repayment of Lease Liabilities - Principal | 109 | 111 | 2 | 113 | 115 | 117 |
| **109** | **Financing Payments** | **109** | **111** | **2** | **113** | **115** | **117** |
| **-109** | **NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES** | **-109** | **-111** | **-2** | **-113** | **-115** | **-117** |
|  |  |  |  |  |  |  |  |
| **-1,681** | **NET INCREASE/(DECREASE) IN CASH HELD** | **-1,879** | **314** | **117** | **355** | **-217** | **-799** |
| **7,588** | **CASH AT THE BEGINNING OF THE REPORTING PERIOD** | **7,588** | **5,709** | **-25** | **6,023** | **6,378** | **6,161** |
| **5,907** | **CASH AT THE END OF THE REPORTING PERIOD** | **5,709** | **6,023** | **6** | **6,378** | **6,161** | **5,362** |

## Notes to the Financial Statements

Significant variations are as follows:

#### Operating Statement

* Contributions received:
* the increase of $4.430 million in the 2021-22 budget from the 2020-21 estimated outcome is mainly due to the increase of contribution levy from the current 1.2% to 1.6% of the Community Sector scheme, effective from 1 July 2021, as a result of the triennial actuarial review conducted in 2020.
* Gains from remeasurement of assets and investment income (total investment return includes gains and investment distribution income):
* the increase of $16.210 million in the 2020-21 estimated outcome from the original budget was largely due to an expected return of 6.8% per annum in 2020-21 compared to 4.5% per annum anticipated in the budget; and
* the decrease of $15.003 million in the 2021-22 budget from the 2020-21 estimated outcome is mainly due to the long-term investment return of 4.5% per annum expected to be achieved in 2021-22 compared to 6.8% per annum anticipated in 2020-21.
* Depreciation and amortisation:
* the increase of $0.146 million in the 2020-21 estimated outcome from the original budget is mainly due to an increase of LeaveTrack amortisation costs in 2020-21 from an expected decline of LeaveTrack’s useful lives as a new IT system is anticipated to replace LeaveTrack during 2022.
* Supplies and services:
* The increase of $0.294 million in the 2021-22 budget from the 2020-21 estimated outcome is largely due to the anticipated costs to be incurred on the IT system replacement project.
* Long service leave benefit expenses:
* the increase of $8.642 million in the 2021-22 Budget from the 2020-21 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 Community Sector Scheme ($4.747 million) and the Building and Construction Industry scheme ($2.601 million)

#### Balance Sheet

* Investments:
* the increase of $16.651 million in the 2020‑21 estimated outcome from the original budget was mainly due to the higher than expected investment return (approximately 6.8% per annum) in 2020-21 as opposed to the expected investment return rate of 4.5% per annum in the budget; and
* the increase of $18.648 million in the 2021-22 Budget from the 2020-21 estimated outcome is mainly due to the anticipated 4.5% per annum long-term return to be achieved in 2021-22 and additional investment ($7.085 million) expected to be made in 2021-22.
* Intangibles:
* the decrease of $0.145 million in the 2020‑21 estimated outcome from the original budget was mainly due to increased amortisation costs for LeaveTrack as a result of a decline in LeaveTrack’s estimated useful life in light of the Authority’s current IT system replacement project which is expected to replace LeaveTrack in 2022; and
* the decrease of $0.204 million in the 2021-22 Budget from the 2020-21 estimated outcome is mainly due to the reason stated above.
* Current and non-current provision for long service leave benefit liabilities:
* The increase of $24.168 million in the 2021-22 budget from the 2020-21 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. The main growth is expected to come from the Building and Construction scheme ($11.502 million or 8.66 per cent) and the Community Sector scheme ($10.699 million or 17.53 per cent).

#### 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.

It is worth noting that net cash flow from operating activities in the 2021-22 is estimated to be $5.390 million (or 42 per cent) lower than the 2020-21 estimated outcome mainly due to cash distributions of the investment portfolio received in the first two quarters of 2020-21 for the Building and Construction and Contract Cleaning schemes, higher long service leave payments expected to be paid in 2021-22 ($2.150 million or 13 per cent) as assessed by the actuary, which is partially offset by the expected increase of contribution levy revenue largely contributed by the anticipated increase of levy rate of the Community Sector scheme from 1.2% to 1.6% effective from 1 July 2021.

Cash flow patterns of the four administered schemes vary in accordance with the phase of maturity of each scheme. For example, the Security scheme is operating cash flow positive for the out years because of a much later scheme commencement date (1 January 2013). The Community Sector scheme is also expected to be operating cash flow positive in the out years mainly due to an expected levy rate increase from 1 July 2021[[3]](#footnote-3) and lower than anticipated long service leave claim applications received by eligible members. 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 planned 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 cash positive 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.

## Individual Scheme Financial Statements

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Construction Industry Long Service Leave Scheme** | | | | | | | |
| **Operating Statement** | | | | | | | |
| **2020-21** |  | **2020-21** | **2021-22** |  | **2022-23** | **2023-24** | **2024-25** |
| **Budget** |  | **Est. Outcome** | **Budget** | **Var** | **Estimate** | **Estimate** | **Estimate** |
| **$’000** | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** |
|  | **Income** |  |  |  |  |  |  |
| 14,916 | Contributions Received | 14,916 | 15,551 | 4 | 16,180 | 16,820 | 17,475 |
| 620 | Gains from Remeasurement of Assets | 6,479 | 2,671 | -59 | 2,803 | 2,938 | 3,074 |
| 5,575 | Investment Income | 9,718 | 4,006 | -59 | 4,204 | 4,407 | 4,611 |
| 927 | Other Revenue | 908 | 935 | 3 | 964 | 992 | 1,022 |
| **22,038** | **Total Income** | **32,021** | **23,163** | **-28** | **24,151** | **25,157** | **26,182** |
|  | **Expenses** |  |  |  |  |  |  |
| 230 | Depreciation and Amortisation | 383 | 433 | 13 | 148 | 144 | 143 |
| 393 | Supplies and Services | 396 | 568 | 43 | 316 | 319 | 343 |
| 22,614 | Long Service Leave Benefit | 22,614 | 25,215 | 12 | 26,994 | 28,885 | 30,913 |
| 1,054 | Employee Expenses | 1,015 | 1,020 | 0 | 1,025 | 1,061 | 1,098 |
| 274 | Other | 376 | 183 | -51 | 185 | 187 | 190 |
| **24,565** | **Total Expenses** | **24,784** | **27,419** | 11 | **28,668** | **30,596** | **32,687** |
| **-2,527** | **Operating Result** | **7,237** | **-4,256** | **-159** | **-4,517** | **-5,439** | **-6,505** |
| **-2,527** | **Total Comprehensive Income** | **7,237** | **-4,256** | **-159** | **-4,517** | **-5,439** | **-6,505** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Construction Industry Long Service Leave Scheme** | | | | | | | |
| **Balance Sheet** | | | | | | | |
| **Budget** |  | **Est. Outcome** | **Budget** |  | **Estimate** | **Estimate** | **Estimate** |
| **as at 30/6/2021** |  | **as at 30/6/21** | **as at 30/6/22** | **Var** | **as at 30/6/23** | **as at 30/6/24** | **as at 30/6/25** |
| **$’000** |  | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** |
|  | **Current Assets** |  |  |  |  |  |  |
| 3,583 | Cash Assets | 3,272 | 3,456 | 6 | 3,387 | 3,689 | 3,000 |
| 6,435 | Receivables | 6,348 | 6,071 | -4 | 6,096 | 6,826 | 6,922 |
| 17 | Other | 0 | 0 | - | 0 | 0 | 0 |
| 128,931 | Investments | 139,370 | 147,047 | 6 | 155,314 | 162,659 | 171,602 |
| **138,966** | **Total Current Assets** | **148,990** | **156,574** | **5** | **164,797** | **173,174** | **181,524** |
|  | **Non Current Assets** |  |  |  |  |  |  |
| 1,661 | Property, Plant and Equipment | 1,667 | 1,494 | -10 | 1,326 | 1,158 | 989 |
| 365 | Intangibles | 220 | 16 | -93 | 13 | 10 | 7 |
| **2,026** | **Total Non Current Assets** | **1,887** | **1,510** | **-20** | **1,339** | **1,168** | **996** |
| **140,992** | **TOTAL ASSETS** | **150,877** | **158,084** | **5** | **166,136** | **174,342** | **182,520** |
|  | **Current Liabilities** |  |  |  |  |  |  |
| 667 | Payables | 650 | 667 | 3 | 687 | 707 | 728 |
| 107 | Lease Liability | 107 | 114 | 7 | 120 | 129 | 137 |
| 107,324 | Provision for Long Service Leave Benefits | 107,324 | 110,816 | 3 | 116,319 | 123,709 | 133,566 |
| 282 | Employee Benefits | 414 | 459 | 11 | 504 | 555 | 606 |
| **108,380** | **Total Current Liabilities** | **108,495** | **112,056** | 3 | **117,630** | **125,100** | **135,037** |
|  | **Non Current Liabilities** |  |  |  |  |  |  |
| 1,855 | Lease Liability | 1,855 | 1,741 | -6 | 1,621 | 1,492 | 1,372 |
| 25,496 | Provision for Long Service Leave Benefits | 25,496 | 33,506 | 31 | 40,615 | 46,913 | 51,773 |
| 10 | Employee Benefits | 17 | 23 | 35 | 29 | 35 | 41 |
| **27,361** | **Total Non Current Liabilities** | **27,368** | **35,270** | **29** | **42,265** | **48,440** | **53,186** |
| **135,741** | **TOTAL LIABILITIES** | **135,863** | **147,326** | **8** | **159,895** | **173,540** | **188,223** |
| **5,251** | **NET ASSETS** | **15,014** | **10,758** | **-28** | **6,241** | **802** | **-5,703** |
|  | **EQUITY** |  |  |  |  |  |  |
| 5,251 | Accumulated Funds | 15,014 | 10,758 | -28 | 6,241 | 802 | -5,703 |
| **5,251** | **TOTAL EQUITY** | **15,014** | **10,758** | **-28** | **6,241** | **802** | **-5,703** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Construction Industry Long Service Leave Scheme** | | | | | | | |
| **Statement of Changes in Equity** | | | | | | | |
| **Budget** |  | **Est. Outcome** | **Budget** |  | **Estimate** | **Estimate** | **Estimate** |
| **as at 30/6/21** |  | **as at 30/6/21** | **as at 30/6/22** | **Var** | **as at 30/6/23** | **as at 30/6/24** | **as at 30/6/25** |
| **$’000** |  | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** |
| **7,778** | **Opening Balance** | **7,777** | **15,014** | **93** | **10,758** | **6,241** | **802** |
| -2,527 | Operating Result for the Period | 7,237 | -4,256 | -159 | -4,517 | -5,439 | -6,505 |
| **-2,527** | **Total Comprehensive Income** | **7,237** | **-4,256** | **-159** | **-4,517** | **-5,439** | **-6,505** |
| **5,251** | **Closing Balance** | **15,014** | **10,758** | **-28** | **6,241** | **802** | **-5,703** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Construction Industry Long Service Leave Scheme** | | | | | | | |
| **Cash Flow Statement** | | | | | | | |
| **2020-21** |  | **2020-21** | **2021-22** |  | **2022-23** | **2023-24** | **2024-25** |
| **Budget** |  | **Est. Outcome** | **Budget** | **Var** | **Estimate** | **Estimate** | **Estimate** |
| **$’000** |  | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** |
|  | **CASH FLOWS FROM OPERATING ACTIVITIES** |  |  |  |  |  |  |
|  | **Receipts** |  |  |  |  |  |  |
| 14,700 | Contributions from Employers and Contractors | 15,081 | 15,575 | 3 | 16,411 | 16,770 | 17,311 |
| 5,743 | Distribution from Investment Portfolio | 5,743 | 0 | -100 | 0 | 0 | 0 |
| 860 | Other | 622 | 700 | 13 | 703 | 711 | 715 |
| **21,303** | **Operating Receipts** | **21,446** | **16,275** | -24 | **17,114** | **17,481** | **18,026** |
|  | **Payments** |  |  |  |  |  |  |
| 13,226 | Payments of Long Service Leave Benefits | 13,226 | 13,713 | 4 | 14,382 | 15,197 | 16,196 |
| 1,442 | Payment to Suppliers and Employees | 1,411 | 1,506 | 7 | 1,341 | 1,380 | 1,441 |
| 59 | Other | 185 | 186 | 1 | 187 | 187 | 188 |
| **14,727** | **Operating Payments** | **14,822** | **15,405** | **4** | **15,910** | **16,764** | **17,825** |
| **6,576** | **NET CASH FLOWS FROM OPERATING ACTIVITIES** | **6,624** | **870** | **-87** | **1,204** | **717** | **201** |
|  | **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 | 20 | 50 | 150 | 0 | 0 | 0 |
| 7,338 | Purchase of Investments | 7,725 | 525 | -93 | 1,160 | 300 | 773 |
| **7,388** | **Investing Payments** | **7,747** | **575** | **-93** | **1,160** | **300** | **773** |
| **-7,388** | **NET CASH FLOWS FROM INVESTING ACTIVITY** | **-7,747** | **-575** | **93** | **-1,160** | **-300** | **-773** |
|  | **CASH FLOWS FROM FINANCING ACTIVITIES** |  |  |  |  |  |  |
|  | **Payments** |  |  |  |  |  |  |
| 109 | Repayment of Lease Liabilities - Principal | 109 | 111 | 2 | 113 | 115 | 117 |
| **109** | **Financing Payments** | **109** | **111** | **2** | **113** | **115** | **117** |
| **-109** | **NET CASH FLOWS FROM FINANCING ACTIVITY** | **-109** | **-111** | **-2** | **-113** | **-115** | **-117** |
| **-921** | **NET INCREASE/(DECREASE) IN CASH HELD** | **-1,232** | **184** | **115** | **-69** | **302** | **-689** |
| **4,504** | **CASH AT THE BEGINNING OF THE REPORTING PERIOD** | **4,504** | **3,272** | **-27** | **3,456** | **3,387** | **3,689** |
| **3,583** | **CASH AT THE END OF THE REPORTING PERIOD** | **3,272** | **3,456** | **6** | **3,387** | **3,689** | **3,000** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Cleaning Industry Long Service Leave Scheme** | | | | | | | |
| **Operating Statement** | | | | | | | |
| **2020-21** |  | **2020-21** | **2021-22** |  | **2022-23** | **2023-24** | **2024-25** |
| **Budget** |  | **Est. Outcome** | **Budget** | **Var** | **Estimate** | **Estimate** | **Estimate** |
| **$’000** | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** |
|  | **Income** |  |  |  |  |  |  |
|  | **Revenue** |  |  |  |  |  |  |
| 1,326 | Contributions Received | 1,316 | 1,236 | -6 | 1,282 | 1,318 | 1,351 |
| 72 | Gains from Investments | 775 | 321 | -59 | 331 | 340 | 347 |
| 649 | Investment Income | 1,163 | 481 | -59 | 496 | 509 | 519 |
| 10 | Other | 9 | 10 | 11 | 9 | 9 | 9 |
| **2,057** | **Total Revenue** | **3,263** | **2,048** | **-37** | **2,118** | **2,176** | **2,226** |
|  | **Expenses** |  |  |  |  |  |  |
| 1,674 | Long Service Leave Benefit | 1,409 | 2,163 | 54 | 2,301 | 2,435 | 2,542 |
| 215 | Employee Expenses | 242 | 243 | 0 | 244 | 253 | 261 |
| 146 | Supplies and Services | 153 | 183 | 20 | 89 | 90 | 104 |
| 5 | Other | 6 | 14 | 133 | 14 | 15 | 15 |
| **2,040** | **Total Expenses** | **1,810** | **2,603** | **44** | **2,648** | **2,793** | **2,922** |
| **17** | **Operating Result** | **1,453** | **-555** | **-138** | **-530** | **-617** | **-696** |
| **17** | **Total Comprehensive Income** | **1,453** | **-555** | **-138** | **-530** | **-617** | **-696** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Cleaning Industry Long Service Leave Scheme** | | | | | | | |
| **Balance Sheet** | | | | | | | |
| **Budget** |  | **Est. Outcome** | **Budget** |  | **Estimate** | **Estimate** | **Estimate** |
| **as at 30/6/2021** |  | **as at 30/6/21** | **as at 30/6/22** | **Var** | **as at 30/6/23** | **as at 30/6/24** | **as at 30/6/25** |
| **$’000** |  | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** |
|  | **Current Assets** |  |  |  |  |  |  |
| 251 | Cash Assets | 265 | 209 | -21 | 159 | 146 | 142 |
| 645 | Receivables | 619 | 523 | -16 | 485 | 487 | 502 |
| 15,932 | Investments | 17,377 | 18,028 | 4 | 18,700 | 19,181 | 19,476 |
| **16,828** | **Total Current Assets** | **18,261** | **18,760** | **3** | **19,344** | **19,814** | **20,120** |
| **16,828** | **TOTAL ASSETS** | **18,261** | **18,760** | **3** | **19,344** | **19,814** | **20,120** |
|  | **Current Liabilities** |  |  |  |  |  |  |
| 47 | Payables | 45 | 47 | 4 | 49 | 50 | 51 |
| 9,339 | Provision for Long Service Leave Benefits | 9,339 | 10,126 | 8 | 11,494 | 13,193 | 14,261 |
| 75 | Employee Benefits | 73 | 75 | 3 | 76 | 77 | 78 |
| **9,461** | **Total Current Liabilities** | **9,457** | **10,248** | **8** | **11,619** | **13,320** | **14,390** |
|  | **Non Current Liabilities** |  |  |  |  |  |  |
| 679 | Provision for Long Service Leave Benefits | 679 | 942 | 39 | 684 | 69 | 0 |
| 4 | Employee Benefits | 4 | 4 | - | 5 | 6 | 7 |
| **683** | **Total Non Current Liabilities** | **683** | **946** | **39** | **689** | **75** | **7** |
| **10,144** | **TOTAL LIABILITIES** | **10,140** | **11,194** | **10** | **12,308** | **13,395** | **14,397** |
| **6,684** | **NET ASSETS** | **8,121** | **7,566** | **-7** | **7,036** | **6,419** | **5,723** |
|  | **EQUITY** |  |  |  |  |  |  |
| 6,684 | Accumulated Funds | 8,121 | 7,566 | **-7** | 7,036 | 6,419 | 5,723 |
| **6,684** | **TOTAL EQUITY** | **8,121** | **7,566** | **-7** | **7,036** | **6,419** | **5,723** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Cleaning Industry Long Service Leave Scheme** | | | | | | | |
| **Statement of Changes in Equity** | | | | | | | |
| **Budget** |  | **Est. Outcome** | **Budget** |  | **Estimate** | **Estimate** | **Estimate** |
| **as at 30/6/21** |  | **as at 30/6/21** | **as at 30/6/22** | **Var** | **as at 30/6/23** | **as at 30/6/24** | **as at 30/6/25** |
| **$’000** |  | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** |
| **6,667** | **Opening Balance** | **6,668** | **8,121** | **22** | **7,566** | **7,036** | **6,419** |
|  | **Accumulated Funds** |  |  |  |  |  |  |
| 17 | Operating Result for the Period | 1,453 | -555 | -138 | -530 | -617 | -696 |
| **17** | **Total Comprehensive Income** | **1,453** | **-555** | **-138** | **-530** | **-617** | **-696** |
| **6,684** | **Closing Balance** | **8,121** | **7,566** | **-7** | **7,036** | **6,419** | **5,723** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Cleaning Industry Long Service Leave Scheme** | | | | | | | |
| **Cash Flow Statement** | | | | | | | |
| **2020-21** |  | **2020-21** | **2021-22** |  | **2022-23** | **2023-24** | **2024-25** |
| **Budget** |  | **Est. Outcome** | **Budget** | **Var** | **Estimate** | **Estimate** | **Estimate** |
| **$’000** |  | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** |
|  | **CASH FLOWS FROM OPERATING ACTIVITIES** |  |  |  |  |  |  |
|  | **Receipts** |  |  |  |  |  |  |
| 1,269 | Contributions from Employers and Contractors | 1,273 | 1,256 | -1 | 1,311 | 1,318 | 1,344 |
| 721 | Distribution from Investment Portfolio | 721 | 0 | -100 | 0 | 0 | 0 |
| 44 | Other | 43 | 44 | 2 | 40 | 41 | 42 |
| **2,034** | **Operating Receipts** | **2,037** | **1,300** | **-36** | **1,351** | **1,359** | **1,386** |
|  | **Payments** |  |  |  |  |  |  |
| 1,025 | Payments of Long Service Leave Benefits | 762 | 1,103 | 45 | 1,191 | 1,351 | 1,543 |
| 385 | Payment to Suppliers and Employees | 380 | 385 | 1 | 330 | 340 | 365 |
| 38 | Other | 37 | 38 | 3 | 40 | 41 | 42 |
| **1,448** | **Operating Payments** | **1,179** | **1,526** | **29** | **1,561** | **1,732** | **1,950** |
| **586** | **NET CASH FLOWS FROM OPERATING ACTIVITIES** | **858** | **-226** | **-126** | **-210** | **-373** | **-564** |
|  | **CASH FLOWS FROM INVESTING ACTIVITIES** |  |  |  |  |  |  |
|  | **Receipts** |  |  |  |  |  |  |
| 20 | Proceeds on Sale of Investments | 0 | 170 | # | 160 | 360 | 560 |
| **20** | **Investing Receipts** | **0** | **170** | **#** | **160** | **360** | **560** |
|  | **Payments** |  |  |  |  |  |  |
| 685 | Purchases of Investments | 923 | 0 | -100 | 0 | 0 | 0 |
| **685** | **Investing Payments** | **923** | **0** | **-100** | **0** | **0** | **0** |
| **-665** | **NET CASH FLOWS FROM INVESTING ACTIVITIES** | **-923** | **170** | **118** | **160** | **360** | **560** |
| **-79** | **NET INCREASE/(DECREASE) IN CASH HELD** | **-65** | **-56** | **14** | **-50** | **-13** | **-4** |
| **330** | **CASH AT THE BEGINNING OF THE REPORTING PERIOD** | **330** | **265** | **-20** | **209** | **159** | **146** |
| **251** | **CASH AT THE END OF THE REPORTING PERIOD** | **265** | **209** | **-21** | **159** | **146** | **142** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Community Sector Long Service Leave Scheme** | | | | | | | |
| **Operating Statement** | | | | | | | |
| **2020-21** |  | **2020-21** | **2021-22** |  | **2022-23** | **2023-24** | **2024-25** |
| **Budget** |  | **Est. Outcome** | **Budget** | **Var** | **Estimate** | **Estimate** | **Estimate** |
| **$’000** |  | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** |
|  | **Income** |  |  |  |  |  |  |
|  | **Revenue** |  |  |  |  |  |  |
| 8,944 | Contributions Received | 8,944 | 12,791 | 43 | 13,530 | 14,241 | 14,957 |
| 265 | Gains from Remeasurement of Assets | 2,869 | 1,300 | -55 | 1,488 | 1,679 | 1,869 |
| 80 | Other Revenue | 60 | 80 | 33 | 83 | 86 | 88 |
| 2,389 | Investment Income | 4,304 | 1,949 | -55 | 2,232 | 2,519 | 2,803 |
| **11,678** | **Total Revenue** | **16,177** | **16,120** | **0** | **17,333** | **18,525** | **19,717** |
|  | **Expenses** |  |  |  |  |  |  |
| 69 | Depreciation and Amortisation | 62 | 53 | -15 | 45 | 39 | 33 |
| 486 | Supplies and Services | 523 | 700 | 34 | 300 | 302 | 325 |
| 9,836 | Long Service Leave Benefits | 9,836 | 14,583 | 48 | 16,152 | 17,367 | 18,530 |
| 926 | Employee Expenses | 1,039 | 1,044 | 0 | 1,050 | 1,086 | 1,124 |
| 15 | Other Expenses | 73 | 57 | -22 | 56 | 55 | 54 |
| **11,332** | **Total Expenses** | **11,533** | **16,437** | **43** | **17,603** | **18,849** | **20,066** |
| **346** | **Operating Result** | **4,644** | **-317** | **-107** | **-270** | **-324** | **-349** |
| **346** | **Total Comprehensive Income** | **4,644** | **-317** | **-107** | **-270** | **-324** | **-349** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Community Sector Long Service Leave Scheme** | | | | | | | |
| **Balance Sheet** | | | | | | | |
| **Budget** |  | **Est. Outcome** | **Budget** |  | **Estimate** | **Estimate** | **Estimate** |
| **as at 30/6/21** |  | **as at 30/6/21** | **as at 30/6/22** | **Var** | **as at 30/6/23** | **as at 30/6/24** | **as at 30/6/25** |
| **$’000** |  | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** |
|  | **Current Assets** |  |  |  |  |  |  |
| 1,932 | Cash Assets | 1,951 | 2,136 | 9 | 2,609 | 2,102 | 2,000 |
| 3,355 | Receivables | 3,312 | 3,685 | 11 | 3,941 | 4,173 | 4,439 |
| 58,864 | Investments | 63,279 | 72,975 | 15 | 83,495 | 95,093 | 106,065 |
| **64,151** | **Total Current Assets** | **68,542** | **78,796** | **15** | **90,045** | **101,368** | **112,504** |
|  |  |  |  |  |  |  |  |
|  | **Non Current Assets** |  |  |  |  |  |  |
| 365 | Property, Plant and Equipment | 372 | 312 | -16 | 252 | 192 | 132 |
| **365** | **Total Non Current Assets** | **372** | **312** | **-16** | **252** | **192** | **132** |
|  |  |  |  |  |  |  |  |
| **64,516** | **TOTAL ASSETS** | **68,914** | **79,108** | 15 | **90,297** | **101,560** | **112,636** |
|  | **Current Liabilities** |  |  |  |  |  |  |
| 194 | Payables | 294 | 200 | -32 | 206 | 210 | 214 |
| 52,214 | Provision for Long Service Leave Benefits | 52,214 | 64,016 | 23 | 78,546 | 94,748 | 106,166 |
| 202 | Employee Benefits | 202 | 108 | -47 | 111 | 114 | 117 |
| **52,610** | **Total Current Liabilities** | **52,710** | **64,324** | **22** | **78,863** | **95,072** | **106,497** |
|  | **Non Current Liabilities** |  |  |  |  |  |  |
| 8,807 | Provision for Long Service Leave Benefits | 8,807 | 7,704 | -13 | 4,623 | 0 | 0 |
| 16 | Employee Benefits | 16 | 16 | - | 17 | 18 | 18 |
| **8,823** | **Total Non Current Liabilities** | **8,823** | **7,720** | **-13** | **4,640** | **18** | **18** |
| **61,433** | **TOTAL LIABILITIES** | **61,533** | **72,044** | **17** | **83,503** | **95,090** | **106,515** |
| **3,083** | **NET ASSETS** | **7,381** | **7,064** | **-4** | **6,794** | **6,470** | **6,121** |
|  | **EQUITY** |  |  |  |  |  |  |
| 3,083 | Accumulated Funds | 7,381 | 7,064 | -4 | 6,794 | 6,470 | 6,121 |
| **3,083** | **TOTAL EQUITY** | **7,381** | **7,064** | **-4** | **6,794** | **6,470** | **6,121** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Community Sector Long Service Leave Scheme** | | | | | | | |
| **Statement of Changes in Equity** | | | | | | | |
| **Budget** |  | **Est. Outcome** | **Budget** |  | **Estimate** | **Estimate** | **Estimate** |
| **as at 30/6/21** |  | **as at 30/6/21** | **as at 30/6/22** | **Var** | **as at 30/6/23** | **as at 30/6/24** | **as at 30/6/25** |
| **$’000** |  | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** |
| **2,737** | **Opening Balance** | **2,737** | **7,381** | **170** | **7,064** | **6,794** | **6,470** |
| 346 | Operating Result for the Period | 4,644 | -317 | -107 | -270 | -324 | -349 |
| **346** | **Total Comprehensive Income** | **4,644** | **-317** | **-107** | **-270** | **-324** | **-349** |
| **3,083** | **Closing Balance** | **7,381** | **7,064** | **-4** | **6,794** | **6,470** | **6,121** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Community Sector Long Service Leave Scheme** | | | | | | | |
| **Cash Flow Statement** | | | | | | | |
| **2020-21** |  | **2020-21** | **2021-22** |  | **2022-23** | **2023-24** | **2024-25** |
| **Budget** |  | **Est. Outcome** | **Budget** | **Var** | **Estimate** | **Estimate** | **Estimate** |
| **$’000** |  | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** |
|  | **CASH FLOWS FROM OPERATING ACTIVITIES** |  |  |  |  |  |  |
|  | **Receipts** |  |  |  |  |  |  |
| 8,721 | Contributions from Employers and contractors | 9,180 | 11,983 | 31 | 13,324 | 14,063 | 14,744 |
| 151 | Other | 151 | 150 | -1 | 145 | 147 | 148 |
| **8,872** | **Operating Receipts** | **9,331** | **12,133** | **30** | **13,469** | **14,210** | **14,892** |
|  | **Payments** |  |  |  |  |  |  |
| 2,664 | Payments of LSL Benefits | 2,664 | 3,884 | 46 | 4,703 | 5,788 | 7,112 |
| 1,412 | Payment to Suppliers and Employees | 1,552 | 1,600 | 3 | 1,350 | 1,388 | 1,440 |
| 146 | Other | 146 | 144 | -1 | 143 | 141 | 142 |
| **4,222** | **Operating Payments** | **4,362** | **5,628** | **29** | **6,196** | **7,317** | **8,694** |
| **4,650** | **NET CASH FLOWS FROM OPERATING ACTIVITIES** | **4,969** | **6,505** | **31** | **7,273** | **6,893** | **6,198** |
|  | **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 |
| 5,200 | Purchases of Investments | 5,500 | 6,320 | 15 | 6,800 | 7,400 | 6,300 |
| **5,200** | **Investing Payments** | **5,500** | **6,320** | **15** | **6,800** | **7,400** | **6,300** |
| **-5,200** | **NET CASH FLOWS FROM INVESTING ACTIVITIES** | **-5,500** | **-6,320** | **-15** | **-6,800** | **-7,400** | **-6,300** |
| **-550** | **NET INCREASE/(DECREASE) IN CASH HELD** | **-531** | **185** | **135** | **473** | **-507** | **-102** |
| **2,482** | **CASH AT THE BEGINNING OF THE REPORTING PERIOD** | **2,482** | **1,951** | **-21** | **2,136** | **2,609** | **2,102** |
| **1,932** | **CASH AT THE END OF REPORTING PERIOD** | **1,951** | **2,136** | **9** | **2,609** | **2,102** | **2,000** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Security Industry Long Service Leave Scheme** | | | | | | | |
| **Operating Statement** | | | | | | | |
| **2020-21** |  | **2020-21** | **2021-22** |  | **2022-23** | **2023-24** | **2024-25** |
| **Budget** |  | **Est. Outcome** | **Budget** | **Var** | **Estimate** | **Estimate** | **Estimate** |
| **$’000** |  | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** |
|  | **Income** |  |  |  |  |  |  |
|  | **Revenue** |  |  |  |  |  |  |
| 823 | Contributions Received | 823 | 851 | 3 | 875 | 901 | 928 |
| 27 | Gains from Remeasurement of Assets | 299 | 130 | -57 | 140 | 150 | 159 |
| 248 | Investment Income | 448 | 194 | -57 | 211 | 226 | 239 |
| 5 | Other Revenue | 5 | 5 | - | 6 | 6 | 6 |
| **1,103** | **Total Revenue** | **1,575** | **1,180** | **-25** | **1,232** | **1,283** | **1,332** |
|  | **Expenses** |  |  |  |  |  |  |
| 770 | Long Service Leave Benefit | 760 | 1,300 | 71 | 1,409 | 1,514 | 1,614 |
| 108 | Employee Expenses | 120 | 121 | 1 | 122 | 126 | 130 |
| 79 | Supplies and Services | 91 | 96 | 5 | 49 | 50 | 62 |
| 0 | Other | 11 | 14 | 27 | 14 | 15 | 15 |
| **957** | **Total Expenses** | **982** | **1,531** | **56** | **1,594** | **1,705** | **1,821** |
| **146** | **Operating Result** | **593** | **-351** | **159** | **-362** | **-422** | **-489** |
| **146** | **Total Comprehensive Income** | **593** | **-351** | **159** | **-362** | **-422** | **-489** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Security Industry Long Service Leave Scheme** | | | | | | | |
| **Balance Sheet** | | | | | | | |
| **Budget** |  | **Est. Outcome** | **Budget** |  | **Estimate** | **Estimate** | **Estimate** |
| **as at 30/6/21** |  | **as at 30/6/21** | **as at 30/6/22** | **Var** | **as at 30/6/23** | **as at 30/6/24** | **as at 30/6/25** |
| **$’000** |  | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** |
|  | **Current Assets** |  |  |  |  |  |  |
| 141 | Cash Assets | 221 | 222 | 0 | 223 | 224 | 220 |
| 300 | Receivables | 317 | 262 | -17 | 272 | 287 | 292 |
| 6,120 | Investments | 6,472 | 7,096 | 10 | 7,664 | 8,166 | 8,597 |
| **6,561** | **Total Current Assets** | **7,010** | **7,580** | **8** | **8,159** | **8,677** | **9,109** |
| **6,561** | **TOTAL ASSETS** | **7,010** | **7,580** | **8** | **8,159** | **8,677** | **9,109** |
|  | **Current Liabilities** |  |  |  |  |  |  |
| 4 | Payables | 4 | 5 | 25 | 5 | 6 | 7 |
| 4,080 | Provision for Long Service Benefits | 4,080 | 4,938 | 21 | 6,008 | 7,224 | 8,621 |
| 12 | Employee Benefits | 12 | 14 | 17 | 16 | 17 | 18 |
| **4,096** | **Total Current Liabilities** | **4,096** | **4,957** | **21** | **6,029** | **7,247** | **8,646** |
|  | **Non Current Liabilities** |  |  |  |  |  |  |
| 1,525 | Provision for Long Service Leave Benefits | 1,525 | 1,584 | 4 | 1,453 | 1,174 | 695 |
| 2 | Employee Benefits | 2 | 3 | 50 | 3 | 4 | 5 |
| **1,527** | **Total Non Current Liabilities** | **1,527** | **1,587** | **4** | **1,456** | **1,178** | **700** |
| **5,623** | **TOTAL LIABILITIES** | **5,623** | **6,544** | **16** | **7,485** | **8,425** | **9,346** |
| **938** | **NET ASSETS** | **1,387** | **1,036** | **-25** | **674** | **252** | **-237** |
|  | **EQUITY** |  |  |  |  |  |  |
| 938 | Accumulated Funds | 1,387 | 1,036 | **-25** | 674 | 252 | -237 |
| **938** | **TOTAL EQUITY** | **1,387** | **1,036** | **-25** | **674** | **252** | **-237** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Security Industry Long Service Leave Scheme** | | | | | | | |
| **Statement of Changes in Equity** | | | | | | | |
| **Budget** |  | **Est. Outcome** | **Budget** |  | **Estimate** | **Estimate** | **Estimate** |
| **as at 30/6/21** |  | **as at 30/6/21** | **as at 30/6/22** | **Var** | **as at 30/6/23** | **as at 30/6/24** | **as at 30/6/25** |
| **$’000** |  | **$’000** | **$’000** | % | **$’000** | **$’000** | **$’000** |
| **792** | **Opening Balance** | **794** | **1,387** | **75** | **1,036** | **674** | **252** |
| 146 | Operating Result for the Period | 593 | -351 | 159 | -362 | -422 | -489 |
| **146** | **Total Comprehensive Income** | **593** | **-351** | **159** | **-362** | **-422** | **-489** |
| **938** | **Closing Balance** | **1,387** | **1,036** | **-25** | **674** | **252** | **-237** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ACT Security Industry Long Service Leave Scheme** | | | | | | | |
| **Cash Flow Statement** | | | | | | | |
| **2020-21** |  | **2020-21** | **2021-22** |  | **2022-23** | **2023-24** | **2024-25** |
| **Budget** |  | **Est. Outcome** | **Budget** | **Var** | **Estimate** | **Estimate** | **Estimate** |
| **$’000** |  | **$’000** | **$’000** | **%** | **$’000** | **$’000** | **$’000** |
|  | **CASH FLOWS FROM OPERATING ACTIVITIES** |  |  |  |  |  |  |
|  | **Receipts** |  |  |  |  |  |  |
| 846 | Contributions from Employers and contractors | 833 | 849 | 2 | 875 | 894 | 924 |
| 2 | Other | 2 | 2 | - | 3 | 3 | 4 |
| **848** | **Operating Receipts** | **835** | **851** | **2** | **878** | **897** | **928** |
|  | **Payments** |  |  |  |  |  |  |
| 281 | Payments of Long Service Leave Benefits | 281 | 383 | 36 | 470 | 577 | 696 |
| 178 | Payment to Suppliers and Employees | 205 | 206 | 0 | 165 | 170 | 183 |
| 20 | Other | 20 | 21 | 5 | 22 | 23 | 23 |
| **479** | **Operating Payments** | **506** | **610** | **21** | **657** | **770** | **902** |
| **369** | **NET CASH FLOWS FROM OPERATING ACTIVITIES** | **329** | **241** | **-27** | **221** | **127** | **26** |
|  | **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** |  |  |  |  |  |  |
| 500 | Purchases of Investments | 380 | 240 | -37 | 220 | 126 | 30 |
| **500** | **Investing Payments** | **380** | **240** | **-37** | **220** | **126** | **30** |
| **-500** | **NET CASH FLOWS FROM INVESTING ACTIVITIES** | **-380** | **-240** | **37** | **-220** | **-126** | **-30** |
| **-131** | **NET INCREASE/(DECREASE) IN CASH HELD** | **-51** | 1 | **102** | **1** | **1** | **-4** |
| **272** | **CASH AT THE BEGINNING OF THE REPORTING PERIOD** | **272** | **221** | **-19** | **222** | **223** | **224** |
| **141** | **CASH AT THE END OF REPORTINGN PERIOD** | **221** | **222** | **0** | **223** | **224** | **220** |

# Attachment 1 - Organisational Chart for Long Service Leave Authority

1. The measure of AWE used is Australian Average Weekly Ordinary Time Earnings (AWOTE) published by the Australian Bureau of Statistics. [↑](#footnote-ref-1)
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 a 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 the current 1.2%.  The Authority decided to reduce the levy rate again to 1.07% effective from 1 July 2021 following the actuary’s most recent triennial long service leave liability evaluation. [↑](#footnote-ref-2)
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. [↑](#footnote-ref-3)