



# Portable Long Service Authority

## Annual Report 2022-23







# Contents

<b>Responsible body's declaration</b>	<b>5</b>
<b>Overview</b>	<b>6</b>
Vision	6
Purpose	6
Values	7
Chair and Chief Executive Officer / Registrar's Report	8
Three thousand reasons why many Victorian workers are getting a better deal	10
Functions	12
Independence	12
Year in Review	14
Governing arrangements	16
Organisational structure	17
Business units	19
Objectives	21
<b>Our Performance</b>	<b>22</b>
Business Unit Reports	22
Delivering on our objectives	28
Financial performance	32
Investment performance	34
<b>Governance and organisational structure</b>	<b>36</b>
Governing Board	36
Audit and Risk Committee	39
<b>Workforce Data</b>	<b>40</b>
Employment and conduct principles	40
Public sector values and employment principles	40
Comparative workforce data	40
<b>Other Disclosures</b>	<b>43</b>
Local Jobs First	43
Government advertising expenditure	43
Consultancy expenditure	43
Information and communication technology expenditure	44
Disclosure of major contracts	44
Freedom of information	45
Compliance with the <i>Building Act 1993</i> (Vic)	45
Competitive neutrality policy	45
Compliance with the <i>Public Interest Disclosures Act 2012</i>	46
Compliance with the <i>Carers Recognition Act 2012</i>	46

Compliance with the <i>Disability Act 2006</i>	47
Office-based environmental impacts	47
Subsequent events	47
Additional information	47
Attestation for financial management compliance with Standing Directions 5.1.4	48
Asset Management Accountability Framework (AMAF) maturity assessment	49
<b>Financial Statements</b>	<b>51</b>
Understanding the financial statements	52
Statutory certification	53
Independent Auditor's Report - VAGO	54
Comprehensive operating statement	56
Balance sheet	57
Cash flow statement	58
Statement of changes in equity	59
Notes to the financial statements	60
<b>Appendix 1: Disclosure Index</b>	<b>96</b>



## Responsible body's declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Portable Long Service Benefits Authority's Annual Report for the year ended 30 June 2023.

A handwritten signature in black ink that reads "Julius Roe".

**Julius Roe**  
Chair, Governing Board



# Overview

**The Portable Long Service Benefits Authority (the Authority) is an independent statutory body established to administer the *Long Service Benefits Portability Act 2018 (the Act)*. The Act, together with the *Long Service Benefits Portability Regulations 2020*, provide a scheme for the portability of long service benefits to covered workers in the community services, contract cleaning and security industries.**

The Portable Long Service Benefits Scheme (the Scheme) was created in response to the Victorian Parliament's Economic, Education, Jobs and Skills Committee inquiry into portability of long service leave entitlements. It enables covered workers to accrue long service benefits based on length of time employed in their respective industry, as opposed to length of time employed by one employer.

Since the Scheme commenced in 2019, the Authority has grown to become one of the largest portable long service leave schemes in Australia. As well as managing the registration of employers and workers, the Authority oversees investment funds created by a levy on employers for the future portable long service leave entitlements of covered workers.

The Authority continues to engage with key stakeholders, which includes educating employers about their obligations under the Act. That education process is reinforced with investigative and enforcement powers prescribed in the legislation, notably to ensure covered workers are registered with the Authority by their employer. The issue of under registration of workers by employers will continue to be addressed and is a key priority for the Authority.

There is also an undertaking to continue educating workers about their rights under the Scheme. With a greater understanding, workers will be more empowered to question their employers about their eligibility for registration and manage their details with the Authority.

## Vision

Delivering a quality Portable Long Service Benefits Scheme to protect the benefits of those who are entitled to them.

## Purpose

The Authority administers an effective Portable Long Service Benefits Scheme through prudent, sustainable investment and supporting all stakeholders – including employers and workers alike – as well as educating and enforcing every stakeholder's role and interest in the Scheme.



# Values

The Authority adheres to the Victorian Public Sector values, which underpin the behaviours that the government and community rightly expect of it. Acting consistently with these values strengthens the Authority's capacity to operate effectively and achieve our objectives. These values are:



## Responsiveness

We are approachable and provide timely, useful and accurate information.



## Integrity

We have unbiased and honest interactions.



## Impartiality

We are firm and consistent in our application of the law.



## Accountability

We fulfil our objectives in a clear, transparent and responsible manner.



## Respect

We respect our stakeholders, each other and ourselves.



## Leadership

We seek to have a positive influence and to empower others.



## Human rights

We administer the law and deliver decisions, advice and policy that respect and support everyone's human rights.



# Chair and Chief Executive Officer / Registrar's Report

**On behalf of the Governing Board, we are pleased to present the Annual Report of the Portable Long Service Authority for the financial year ended 30 June 2023.**

The Authority, which manages the Portable Long Service Benefits Scheme for the community services, contract cleaning and security sectors, is one of the largest portable long service leave schemes in Australia with over 3,000 registered employers and 290,000 registered workers. Victorian employers have embraced the Scheme as a way of attracting and retaining staff in a competitive labour market.

The Authority is also an investment manager of over \$300 million in Scheme assets used to fund the future long service leave entitlements of registered workers. We are pleased to report the Scheme's investment return for the 2022-23 financial year was 9.51%, with an average solvency ratio for the three Schemes being 105.3%.

The 2022-23 financial year was a busy year, and this Annual Report highlights the breadth of the positive achievements that have been delivered by the Authority.

The Authority is an independent statutory authority and public sector body that adheres to the Victorian Public Sector Values.


During the financial year, the Authority continued to focus its work on delivering a quality Scheme whether this was through communicating with employers and workers; or processing quarterly returns or other requests; or safeguarding and managing the Scheme's investments and Treasury operations.

Looking forward, the Authority has recently released its 2023-26 Corporate Plan, which outlines the strategic priorities that have been endorsed by the Governing Board. Central to these priorities will not only be the continued education of employers and workers on how the Scheme operates, but also the commencement of enforcement action against those residual employers that have failed to register with the Authority or are under-registering their workers and therefore depriving them of their legal entitlements.

We are reviewing our processes to ensure they are efficient and fit for purpose in readiness for the expected increase in benefit claims over the next few years.

Lastly, in presenting this Annual Report, we want to acknowledge the Authority's staff for their hard work and commitment during what has been another challenging 12 months. The Board is proud to lead the Authority and its cohort of professional and resilient staff, who have adapted to the constant change that is now expected of any mature workforce following the COVID-19 pandemic.

Together with all stakeholders, the Authority remains committed to delivering a quality Portable Long Service Benefits Scheme to protect the benefits of those who are entitled to them.



**Julius Roe**  
Chair,  
Governing Board



**Joseph Yeung**  
Chief Executive Officer /  
Registrar







# Three thousand reasons why many Victorian workers are getting a better deal

**In March 2023 the Authority celebrated another significant milestone with 3,000 employers being registered with the Scheme.**

To mark the milestone, a special event was held at the historic St Kilda Road property of Deaf Children Australia.

The reason the event was held at the Melbourne headquarters of Deaf Children Australia was in recognition of the organisation's valuable contribution to the community.

Deaf Children Australia has been supporting families with deaf or hard of hearing children since 1862. Helping more than 4,500 families and young people a year, its workers provide vital services through programs which include family camps, parent mentoring, and learn to drive classes.

Deaf Children Australia has also launched Australia's first nationally endorsed swimming program for deaf and hard of hearing children, with more than 800 accredited swimming teachers instructing Puggles Swim in pools across Australia.

Another Deaf Children Australia initiative is their specialist disability employment service, *Sign for Work*. It delivers a tailored approach to helping people with a disability, health condition, illness and people that are deaf or hard of hearing, find and keep meaningful employment. It is currently helping over 180 Victorians and 50 people in Queensland.

Industrial Relations Minister, Tim Pallas, met with Deaf Children Australia staff at the gathering and congratulated the 3,000 Victorian employers on providing workers with a more secure financial future.

"For many workers, long service leave was something that just wasn't available to them because of the nature of their industries," said Mr Pallas.

"It's fantastic that community services workers, contract cleaners and security guards who move around in their work can qualify for benefits, just as a single-employer worker can. It's a win for the workers and for fairness," he added.

Deaf Children Australia Chief Executive Officer, David Wilson, added that "the Scheme rewards our registered staff for their contribution and dedication in helping the families of deaf and hard of hearing children."











## Functions

**The Authority has several key functions pursuant to the Act:**

- 1 Administering the Scheme in the covered industries.
- 2 Making payments of benefits.
- 3 Keeping registers of employers and workers.
- 4 Resolving disputes as to the timing of taking long service leave.
- 5 Consulting other industries that may be affected by decisions made under the Act in relation to covered industries.

## Independence

**The Authority is an independent statutory body with an official seal.**

Under the Act, the Authority may sue and be sued and acquire, hold and dispose of property.

The Authority employs staff who are Victorian Public Service (VPS) employees.

# Two talented community services workers: Tom and Chris

**The journey for Tom Bradford and Chris Lardner to joining Sign for Work – a subsidiary of Deaf Children Australia – followed two very different paths.**

Tom had dedicated his time and energy to Melbourne’s theatre and music industry. In between performances, Tom taught music and musical programs at various primary schools. Teaching and helping was something he found very rewarding.

The COVID-19 epidemic put an end to performing and teaching assignments but it gave Tom the opportunity to study Auslan full-time during the two years of lockdowns and restrictions. His new skills opened different doors. One of those was the deaf not-for-profit sector and working as a Disability Employment Consultant at Sign for Work. Tom has been at Sign for Work for nearly a year.

Tom says, “every day is different as I help deaf people to find work. I see up to six clients a day helping them upskill, search and apply for jobs or assist a client already in work maintain employment”.

“I also promote our clients to employers, along with providing communication support to deaf people during job interviews, work trials and training days,” he added.

Tom finds the proudest moment in his working day is when one of his clients secures a job or gains a promotion.

Chris has a more diverse work history. Firstly, in the mining industry, then as a research and development technician in the automotive industry, followed by magazine layout artist. There was another career twist as an engineering factory manager. With such a diverse jobs history, Chris settled on working in the employment services industry.

In between these career moves, Chris studied music and played in various rock bands in Adelaide. One of Chris’s great loves is music, but he also takes great joy in helping people find work.

Chris recently took up the role of Disability Employment Services Manager at Sign for Work. He has worked for the organisation for 12 years and as the manager, he leads a team of consultants, such as Tom, in providing essential employment services to deaf or hard of hearing people and people with a disability.

“The role brings me immense fulfilment as I witness the positive impact we have on the lives of our clients at Sign for Work,” says Chris.

“Through our collective efforts, we break down barriers, empower individuals to overcome challenges, while creating a more inclusive and accessible workforce,” he added.

Before Tom and Chris joined Deaf Children Australia, they were strangers unaware of their shared love of music, but now they share a passion for helping pave a better road for people in need.

*As registered workers with the Portable Long Service Authority, Tom and Chris look forward to the day they receive their financial entitlements. For Tom, the plan is to take a comedy show he has created on tour somewhere in Australia or even overseas. For Chris, it will be a well-earned holiday.*



**Tom Bradford**



**Chris Lardner**

# Year in Review

## Registered workers

# 290,577



COMMUNITY SERVICES

↑ **190,434**

150,137 last year



CONTRACT CLEANING

↑ **72,171**

54,033 last year



SECURITY

↑ **27,972**

24,597 last year



## Worker breakdown \*



\* Gender of 9,909 workers not specified



## Registered employers

# 3,068



↑ **1,980**  
COMMUNITY SERVICES



↑ **650**  
CONTRACT CLEANING



↑ **438**  
SECURITY



 Engagement



**11,537**  
OUTBOUND CALLS



**18,282**  
EMAILS RECEIVED



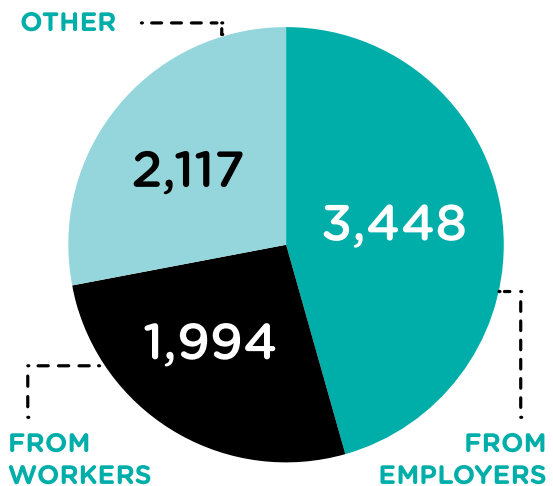
**300,000+**  
WEBSITE VISITS



**3,785**  
EMAIL NEWSLETTER  
SUBSCRIBERS

 Calls Received

**7,559**



 **98%** of all calls answered within three-minutes

 Submitted quarterly returns

**15,713**

 Scheme assets

**\$337.7m**

 Social Media



**↑ 9.9%**  
FACEBOOK ENGAGEMENT



**↑ 116.7%**  
LINKEDIN ENGAGEMENT



**↑ 4,800%**  
TWITTER ENGAGEMENT

# Governing arrangements

## Minister

**Tim Pallas MP**  
Minister for  
Industrial Relations

## Board

**Julius Roe**  
Governing Board  
Chair

**Claire Filson**  
Governing Board  
Deputy Chair

### **Emma King OAM**

Governing Board  
Member

### **Tim Piper AM**

Governing Board  
Member

### **Rachael Saunders**

Governing Board  
Member

### **Lisa Darmanin**

Governing Board  
Member

(commenced 1 September 2022)

### **Elisa Dickenson**

Governing Board  
Member

### **Julie Warren**

Governing Board  
Member

### **Joseph Yeung**

Governing Board  
Member / Registrar

The Registrar and Chief Executive Officer, Joseph Yeung, who is a non-voting member of the Governing Board, is also responsible for the day-to-day management of the Authority and its operations.

# Organisational structure

**Joseph Yeung**

Registrar / Chief Executive Officer



**Finance**



**Facilities and  
Information  
Technology**



**Operations**

(Customer Service and Education,  
Compliance and Enforcement,  
Research and Engagement)



**Communications  
and Engagement**



**Legal, Governance  
and Secretariat**



**People  
and Culture**

# Variety is the spice of life

**When Glenn Plover decided on a career change from a Ballarat bricklayer to pub bouncer many years ago, it was a far less sophisticated industry.**

As Glenn explains, “there were no surveillance cameras in pubs, clubs and other business premises. Mobile phones didn’t exist, and security staff didn’t have to pass an intensive certified training course”.

In other words, it was an unregulated industry with none of the modern tools available to prevent anti-social behaviour.

After working for a security company for more than a decade, both as a security guard and co-ordinator, Glenn decided to start his own business.

“Plover Security commenced operations with one pub and three security guards,” says Glenn. “Within a few weeks, my company was providing security to virtually every pub and poker machine venue in Ballarat,” he added.

Over the years, Plover Security has grown to be one of the largest providers of security services in western Victoria.

Plover Security staff say that besides the variety of work, it’s being part of a team or ‘one big happy family’ that they really enjoy. “Security staff need to have total confidence and trust in each other when dealing with crowd situations,” says Glenn.

Rowena Singleton joined Plover Security several years ago and says most of the staff love the work. Rowena says, “every shift at a pub or club involves different scenarios dependent on the varying behaviour of the patrons. You must stay alert throughout your shift”.

Besides the pubs and clubs, there are also roles providing security at hospitals, large scale events such as music concerts, festivals, swap meets, protecting building sites and even personal security.

A recent country football promotion saw former AFL stars including Gary Ablett Junior, Dane Swan and David Mundy play for local clubs around Ballarat. Plover Security member Nathan Delmo

had the job of minding the players. Nathan says, “the main issue was dealing with very excitable and over-exuberant fans rather than troublemakers”.

Glenn says some of the more unusual assignments in recent years involved guarding 10,000 head of cattle in an enormous feed lot to deter cattle thieves. On another occasion, staff were employed to keep a 24-hour watch over tens of thousands of chickens housed in giant sheds for several months due to threats.

Glenn believes it’s just part of the rich tapestry of security work in country Victoria.

Plover Security has more than 130 security personnel registered with the Authority.

Glenn fully supports the Scheme as he understands the casual and ad hoc nature of the security industry. He respects his staff, treating them as family members and wants every worker who should be covered to enjoy portable long service benefits.

*The greatest challenge facing his business is rising costs, but Glenn believes if you offer the best security service available in western Victoria, people will continue to come knocking on his door.*



# Business units

## Finance

The Finance business unit underpins the Authority's operations whilst the Head of Finance has specific responsibilities under the *Financial Management Act 1994*. Performance monitoring, responsible budgeting and a robust investment strategy ensures that the entitlements of registered workers are managed prudently and helps to ensure the sustainability of the Scheme.

## Operations

### Customer Service and Education

The Customer Service and Education team delivers the core registry and Scheme administration functions by responding to queries from workers and employers, assisting employers to apply for registration, assessing and determining registration applications along with submission and review of quarterly returns. During the next three years, the team will expand to include the processing of claims from workers who have accrued seven years of service.

### Compliance and Enforcement

The Compliance and Enforcement team is responsible for ensuring compliance across the Authority's key compliance and enforcement areas, including pursuing employers who have failed to register, submit quarterly returns and/or pay levies.

The team applies strategic risk-based, intelligence-led principles to implement an effective and proportionate compliance and enforcement program to ensure all employers comply with the Scheme.

### Research and Engagement

The Research and Engagement team undertakes research and provides data analysis support to inform the Authority's activities and implement a range of education and engagement initiatives to grow employer and worker registration.

## Legal, Governance and Secretariat

### Legal

Supports the Authority by providing practical legal advice that advances the Authority's objectives whilst being consistent with the law and regulatory environment. The unit provides both in-house

commercial legal advice in conjunction with advice on the Authority's regulatory obligations.

### Governance

Responsible for establishing good governance, including an integrity framework, ensuring comprehensive risk management practices, corporate planning and project management.

### Secretariat

Supports and facilitates the efficient and effective running of the Governing Board, Audit and Risk Committee and relevant sub-committees established from time to time.

## Facilities and Information Technology

### Facilities

Manages the Authority's accommodation and other fixed asset leases, as well as supporting infrastructure, including telephony systems and the Authority facilities.

### Information Technology

Ensures the Authority operates to its full potential by providing quality IT support, including IT security and records management to business units and staff, as well as providing management of the Authority's external portal for employers and workers.

## Communications and Engagement

Leads communications and engagement with internal and external stakeholders to ensure that employers understand and are meeting their obligations. The Communications and Engagement business unit also leads the communications strategy to workers so they are aware of their rights, and engage with the Authority through communication channels such as the website and portal.

## People and Culture

Supports the growth and development of the Authority's staff by helping create a safe and welcoming work environment. The business unit empowers staff to thrive and drive a positive culture but is also responsible for ensuring that the Authority has a robust performance development and performance management framework.

# Empowering Indigenous consumers



**ICAN Learn is a registered employer with the Authority accomplishing great deeds for First Nations people. As a social enterprise with an office in Bendigo, ICAN Learn is a division of the Indigenous Consumer Assistance Network (ICAN).**

ICAN is Australia's only First Nations consumer targeted organisation that provides both financial counselling and consumer advocacy assistance. ICAN Learn was established in 2017 to support the development of First Nations people in the sector.

ICAN Learn runs training courses for both First Nations and non-First Nations people that concentrate on community services and financial counselling. The aim for ICAN Learn students after graduation is to provide support and counselling to communities struggling with financial vulnerability and other related community service issues.

Bendigo ICAN Learn Executive Officer, Tracey McCurdy, says, "First Nations people are over-represented amongst financially vulnerable Australians."

A 2019 study<sup>1</sup> identified that half of the First Nations population is experiencing financial

stress compared to one in ten in the broader Australian population. "This is often caused by challenges in accessing financial services due to distance, language barriers and the cost of access to services," Tracey added.

Since its inception just six years ago, ICAN Learn has supported more than 200 First Nations people to undertake financial wellbeing and community service sector training.

ICAN Learn is based in Bendigo as the organisation has strong industry connections with the region and across Victoria. Courses are conducted in Bendigo, with training delivered nationally online, along with face-to-face sessions.

ICAN Learn has about 20 workers registered with the Authority and uses the Scheme as an added incentive to attract and retain staff. "We include our registration with the Authority in our job advertisements," says Tracey.

*The future for ICAN Learn is to train and educate more First Nations people who can then go out and support their communities.*

---

1 Weier, M et al, Money Stories: Financial Resilience Among Aboriginal and Torres Strait Islander Australians (2019)



# Objectives

The Authority's primary objectives are to:



**Fulfil our legislative obligations** by effectively administering the *Long Service Benefits Portability Act 2018*.



**Implement effective, responsible budget and investment strategies** which grow levy funds and deliver long-term sustainability.



**Be clear, consistent, transparent and responsive** in our stakeholder communications to encourage registration and levy payments and ensure that covered workers and employers are aware of their rights and obligations.



**Maintain a healthy and safe workplace** with a culture that encourages engaged, resilient and solution-focussed staff.



**Maintain an innovative secure, resilient and integrated information technology** environment that supports effective operations now and into the future.



**Protect the long-term interests of the Authority** through effective regulation using governance, strategic risk management and clear policies and procedures.



# Our Performance

## Business Unit Reports

### Finance

The Finance business unit is a pillar of responsible financial management.

Investment funds continue to grow, with the Authority investing employer contributions with the Victorian Funds Management Corporation (VFMC). The Authority and VFMC have worked closely together to ensure that funds are invested into an appropriate portfolio to maximise returns whilst analysing risk. This comes on top of our comprehensive review of the Authority's investment policy.

The actuarial valuation process for the accrued portable long service benefit liabilities has been strengthened through the development of a new quarterly valuation methodology. Further to this, the year-end valuation process is again assisted by an additional year of data used to validate key assumptions underlying the valuation model.

The improvement of reimbursement procedures has been a bonus for employers by providing an easier administrative process.

We have also streamlined our accounts receivable processes and reviewed payroll tax to reflect our regional employer status.

In the next financial year our focus will be on creating a claims team to ensure the Authority is future claims ready. We will also be undertaking a levy review and assisting with the wider Authority strategic priorities.

### Operations

The Operations business unit contains three teams. Customer Service and Education, Compliance and Enforcement and Research and Engagement.

#### Customer Service and Education

The team has continued to deliver on its core responsibilities of assessing employer applications for registration, as well as being the key point of contact for employers and workers.

A focus of the 2022-23 financial year was to empower the team to review complex queries involving the community services sector. The internal Refinement and Realignment project enabled the team to progress more complex cases which require a comprehensive understanding of legislative changes.

The appointment of a new Manager of Customer Service and the addition of a second team leader has supported the team meet growing demand.

Looking ahead, we will focus on enhancing the education component for both employers and workers to ensure we obtain accurate data to safeguard worker entitlements.

## Compliance and Enforcement

The Compliance and Enforcement team works with employers to ensure they meet their obligations within the parameters of the Act.

There have been significant changes to the process of assigning work to team members to give greater focus to each major work category. This has enabled prioritisation based on risk and applying compliance or enforcement actions proportionate to suspected or proven non-compliance.

The management of entities in liquidation has been refined to include greater identification at the earliest point.

The team has also redesigned formal correspondence and communications to employers, inserting behavioural insights and emphasising the consequences of non-compliance.

A key challenge in the new financial year will be the mapping of processes, workflows and a review of escalation triggers to improve the early identification of non-compliance.

## Research and Engagement

The Research and Engagement team identifies employers in the covered industries who are likely to be covered for the Scheme, developing tests and evaluating the engagement processes required for converting this information into registrations.

We have developed online screening tools for each sector that inform employers if they are likely to be covered by our Scheme. These tools will be available on the Authority website next financial year.

The team continues to progress data-sharing arrangements with various agencies using the Victorian public sector Data Sharing Heads of Agreement. This work is ongoing and involves coordination among various Authority business units.

## Legal, Governance and Secretariat

### Legal

The Legal team provides high-level practical and strategic advice to ensure the Authority fulfills its legislative obligations to effectively administer the Act.

The team provides relevant guidance to all business units within the Authority, aiming to be proactive and strategic to allow the Authority to make informed decisions to achieve the organisation's objectives.

Collaboration with the various business units continues to be key as the Authority matures as a regulator. A highlight of this collaboration in the last 12 months has been leading the Refinement and Realignment key strategic project resulting in the Authority producing community services resources for internal and external stakeholders.

### Governance

The Governance team reinforces chains of responsibility and communication in support of the Authority's goals and strategies. The team has established policies, standards and control mechanisms to enable the Authority staff to carry out their roles and responsibilities effectively.

The focus continues on our internal audit program, risk management and corporate planning.

### Secretariat

The Secretariat has continued to support the Governing Board and its sub-committees by ensuring timely, professional agendas, packs and minutes and the prompt facilitation of actions arising.

## Facilities and Information and Technology

The Facilities and Information Technology business unit underpins the Authority's core operations and manages key vendors which support the technology infrastructure, registration system and office leases.

The team collaborates with the other business units to implement and enhance technology systems which support their operations while ensuring there are systems in place that enable the Authority to be an efficient and effective organisation.

A major highlight of the year was the relocation to Galkangu Bendigo GovHub following several years of preparations and planning. The move from the former King Street head office was successful and saw over 50 staff transition to Galkangu where they were able to immediately start work in the new building. During the relocation planning period, an internal transition working group was established to support staff and kept them updated on developments.

The business unit has continued to implement enhancements to our Formation Customer Relationship Management (F.CRM) system as well as having a key role in the planning for the introduction of a Business Process Management system establishing LEAN Six Sigma practices.

There was also an ongoing focus on security and compliance activities through a targeted security program to strengthen staff training in identifying cyber threats.

The Authority also progressed planning the implementation of a modern Public Record Office Victoria (PROV) compliant document management system. This aligned with the Digital Records and Information Management Shared Services (DRIMSS) project where we have collaborated with other Victorian Government departments to further enhance and simplify records management within the Authority.

The Authority also commenced development of our own Records Destruction Authority (RDA) which will be finalised during the 2023-24 financial year.

## Communications and Engagement

The Communications and Engagement business unit continued its commitment to providing the Authority with high level internal and external communications.

A major milestone was the Authority's third birthday, with a celebration and successful media event held in the Bendigo head office. The event was hosted by Chairperson Julius Roe with guest speakers including Member for Bendigo West, Maree Edwards and Industrial Relations Victoria Deputy Secretary, Matt O'Connor.

The business unit also co-ordinated the Authority's presence at trade shows including the Community Services Expo in Melbourne along with the Security Exhibition and the Cleaning and Hygiene national conference which were both held in Sydney. It was an important opportunity to raise the Authority's profile after the impact of COVID-19 lockdowns and related travel restrictions. The Authority also took part in Victoria's Law Week by conducting online seminars, which were well received.

It was a busy year for the business unit overhauling internal communications, commencing the brand review and delivering executive media training as part of the Authority's risk preparedness program. Elsewhere, the focus continued on media opportunities, social media and the Authority's website.

The business unit also commenced a project to revise the Authority's writing style guide to support the brand review.

The Communications and Engagement business unit will continue to raise the profile of the Authority to ensure covered employers understand their obligations and seek registration whilst workers are increasingly empowered and aware of their rights under the Scheme.



## People and Culture

People and Culture continued to support the Authority's workforce and contribute to a positive employee experience. The key focus for the year was supporting employee health and wellbeing and partnering with managers to build productive and empathetic teams.

The People and Culture business unit remains committed to developing managers and staff at all levels to ensure our people have the skills to achieve their work, feel supported in learning and development, as well as experience high job satisfaction.

The year saw the recruitment of key senior personnel, along with other staff through a merit-based process to ensure the best fit for our culture and organisation. Our staff also had the opportunity to undertake secondments and higher duties for their professional growth and career advancement.

We began the four-part 'Respectful Workplace' training program which all staff are participating in. The program promotes health and wellbeing awareness in the workplace, traits and development of high performing teams, robust and empathetic relationship development, and responses to challenges and embracing constructive criticism.

Authority leaders also completed the 'Thriving Through Change' session to excite and empower teams when dealing with change while driving inclusion, empathy, vulnerability and resilience through change.

People and Culture supported our new way of working with a hybrid model approach of three days in office and two days working from home to promote an improved work/life balance. Staff were encouraged to speak to their business unit leader regarding individual flexibility arrangements to meet staff needs with parenting, caring arrangements, health and wellbeing and other factors where support was needed.

Through this process we learned the importance of change management, how individuals can respond differently, as well as the importance of celebrating success and building a fun and inclusive work culture.

The challenge ahead for People and Culture is supporting the continued growth of the organisation and building a workforce that can adapt to changes and challenges as they arise.

## Future focus

### Looking ahead the Authority will focus on:

Identifying the key sub-sectors where there is under-registration of employers and workers whilst using data and systems to focus on particular employers and workers.

Implementing an effective enforcement strategy to address under-registration.

Improving our communication with workers and ensuring that we have the ability to contact those workers when and if they change employer.

# The journey to creating Ocean Mind

**For many people, standing on a surf beach and watching the waves roll in provides a range of deep and calming emotions. It can be meditative, healing, and equally awe inspiring.**

Rachael Parker looked at ways of harnessing nature's holistic qualities to create Ocean Mind, a charity aiming to improve the mental health and wellbeing of young people by connecting them with the sea and surfing. Ocean Mind is a registered employer with the Authority.

We spoke to Rachael Parker about her journey.

**How did you come upon the idea for Ocean Mind?**

"I founded the organisation based on my own personal experiences and after discovering the therapeutic benefits of surfing and being in the ocean. I recognised the potential of surfing as a means of improving mental health and wellbeing and established Ocean Mind with the aim of making surf therapy more accessible to others who may be facing similar challenges."

**There is obviously a love for Victoria's Surf Coast and surfing. Was there a desire to share that love with young people?**

"Absolutely. At Ocean Mind we believe the Surf Coast region and surfing have so much to offer young people, especially those who may be struggling with mental health challenges. Our goal is to share our love of the ocean and surfing in a way that promotes healing and growth for young people."

**What is the most satisfying part of being involved with Ocean Mind for staff and volunteers?**

"It is seeing the positive impact that our programs have on young people. Seeing our participants gain confidence, develop new skills and improve their mental health and wellbeing is incredibly rewarding."



**Being based at Torquay, has it been difficult to find the right staff for the job?**

"It can be challenging to find staff who are both qualified to teach surfing and equipped to work with young people with special needs. However, we have a dedicated team of staff and volunteers who are trained to work with young people of all abilities. We provide ongoing professional development to ensure that our team is equipped with the necessary skills and knowledge."

**Has the NDIS Scheme been helpful in providing young people the chance to take part in your programs?**

"Yes, the NDIS Scheme has been beneficial. We work closely with NDIS providers to ensure that our programs are accessible and inclusive for all participants."

**Ocean Mind has about 20 workers registered with the Authority. Generally, what roles do they perform?**

"Ocean Mind is made up of a diverse group of people who are passionate about surfing, mental health and helping young people."

We have a range of roles, including surf instructors, mental health professionals, youth workers, and administrative staff."

**Employers pay a levy to provide their registered community service workers the opportunity of a portable long service benefit. What are your views?**

"I believe that the Portable Long Service Authority levy is an important investment in the wellbeing of our staff and the long-term sustainability of our programs. While it may be seen as an additional cost by some employers, we see it as an opportunity to attract and retain skilled staff in the community services sector."





**What is the greatest challenge for Ocean Mind?**

“One of the biggest challenges is securing funding to sustain and expand our programs. As a non-profit organisation, we rely heavily on donations and grants to cover operational costs and provide free therapy services to individuals facing mental health and social challenges.”

**And the future?**

“The future for Ocean Mind is to continue growing our programs, reaching more young people who can benefit from our unique blend of surfing and therapy.”

# Delivering on our objectives

**The Authority's Corporate Plan 2020-23 sets out the Authority's short- and medium-term priorities along with its key measures for success.**

**Fulfil our legislative obligations by effectively administering the *Long Service Benefits Portability Act 2018*.**

## Key highlights

### Customer Service and Education

- Successful review of the overdue quarterly return process resulting in a reduction in processing time with outstanding quarterly returns actioned immediately and referred directly to the Compliance and Enforcement team.
- Following an internal evaluation of information provided to the Authority by a national employer, the team completed a complex registration process, ensuring the employer understood their obligations to the Scheme. All workers received their entitlements.
- During the year, the team engaged with over 7,500 inbound calls and over 11,500 outbound calls through the call centre.
- The team delivered a community health centre project to ensure worker entitlements were recognised for their full service period.

### Compliance and Enforcement

- Conducted an outreach program engaging 286 potential employers to register with the Scheme, of which 89% of employers complied.
- Issued 107 request for information notices to compel documents and information with 45% of employers complying and the remainder being actively pursued.
- Issued 23 letters of demand for overdue levy invoices, of which 43% of employers complied before further action was taken.
- Engaged 343 employers who were not meeting their obligations, resulting in 70% complying with their obligations.
- Investigations launched after workers alerted the Authority that 88 employers may have been failing to register covered staff. Subsequent employers are now declaring all covered workers and paying the correct levies.
- Engaged with 732 employers where obligations were in dispute resulting in 86% of employers complying with the remainder under investigation.

### Research and Engagement

- The Research and Engagement team worked across the Authority to identify subsectors of interest and assessed a wide range of sources to develop a 'Review of Segmentation Models' for the community services, contract cleaning and security sectors. This was achieved by identifying gaps in the Authority segmentation models of its covered sectors and comparing Authority and external data in the covered sectors.
- The team commenced a CALD community engagement program, identifying individuals to participate in a series of interviews to gather information and data to support our communication initiatives.
- The team designed and implemented a stakeholder engagement process in support of the Authority's Refinement and Realignment project leading to the development of additional educational materials.

### Numbers

- 290,577 workers registered
  - 190,434 in community services
  - 72,171 in contract cleaning
  - 27,972 in security
- 3,068 employers registered
  - 1,980 in community services
  - 650 in contract cleaning
  - 438 in security
- 15,713 employer quarterly returns submitted (incorporating the retrospective returns outside of this financial year due to late registration with the Scheme).
- 19,096 calls were made and received during the financial year.

## Implement effective responsible budget and investment strategies which grow levy funds and deliver long-term sustainability.

### Key highlights

- Reviewed the investment strategy to further reflect the maturity of the Authority. This included an analysis of the investment policy.
- Investment frequency moved from quarterly to monthly and distributions reinvested back into funds.
- First year of a three-year rolling internal audit review of compliance with the Standing Directions of the Assistant Treasurer. The audit did not identify any material compliance deficiencies.
- Total Authority expenditure remained prudent for the year.

- Performance reporting enhancements implemented to allow a focus on performance drivers.
- Budgeting enhancements introduced to focus on projecting future worker entitlements and funds under Authority management.
- Business unit budgets refined to ensure Authority strategy requirements can be implemented.

### Numbers

- \$127.2 million receipts from employers, \$5.9 million outstanding on 30 June 2023 of which \$0.9 million is more than 90 days overdue.
- \$320.7 million invested with the Victorian Funds Management Corporation in the Balanced Fund.
- \$337.7 million in cash and investments.
- \$4.0 million reimbursed to employers for workers who have taken long service leave.





**Be clear, consistent, transparent and responsive in our stakeholder communications which encourages registration, levy payments and ensures that workers and employers are aware of their rights and obligations.**

### **Key highlights**

- Successful stakeholder event attended by the Minister for Industrial Relations celebrating 3,000 registered employers, creating further awareness of the Authority and the Scheme.
- Social media engagement continued to grow following the establishment of our Twitter account to complement existing presence on Facebook and LinkedIn.
- External email newsletter circulation remains strong with the further development of interesting and educational content for our employer and worker audiences.
- Internal communications expanded and refined via Pulse – the Authority’s intranet – to provide information and increase staff engagement.
- A comprehensive Authority brand review commenced aiming to refresh the organisation’s visual design and colour palette.
- Development of both employer and worker case studies to showcase registration benefits.
- Commenced a major website review to update architecture, content and accessibility.
- Delivered media training and conducted crisis communications review.

### **Numbers**

- 300,000+ website visits
  - 57% female and 43% male
  - Of Victorian website visits: 89% metropolitan and 11% regional
  - Worker and employer information pages generated the most traffic
- Social media engagement
  - LinkedIn engagement rose by 116.7%
  - Facebook engagement rose by 9.9%
  - Twitter engagement rose by 4,800%
- Average open rate for external monthly email newsletter was 48%.

**Maintain a healthy and safe workplace with a culture that encourages engaged, resilient and solution-focused staff.**

### **Key highlights**

- The Authority celebrated diversity in our organisation and community by recognising significant diversity and inclusion days including National Reconciliation Week, IDAHOBIT Day, International Women’s Day, R U OK Day and NAIDOC Week.
- The Cultural Champions Group – an initiative following staff feedback – has continued to grow and drive a positive and inclusive organisational culture.
- The People Matter survey is the Victorian public sector’s independent employee opinion survey enabling staff to share their genuine feedback and experiences of working with the Authority. Key highlights included:
  - 83% of staff understand how their role contributes to organisational goals
  - 85% of staff feel people in their workgroup are able to bring up problems and tough issues, and that their manager models the organisation values.
- From the feedback received in the 2022–23 People Matter Action Plan, the following three key focus areas were identified:
  - Organisational strategy, team cohesion, and strengthening communication
  - Enhancing capabilities and leadership support to staff
  - Creating a respectful culture, sustaining a psychologically safe workplace, and enhancing staff mental health and wellbeing.

### **Numbers**

- Two merit-based fixed-term higher duties assignments with eight internal promotions
- 13 staff earmarked for Peer Support Training
- 17 staff recruited
- 53 staff employed as of 30 June 2023; an increase of 6% from last financial year.

## Implement an innovative, secure, resilient and integrated information technology environment that supports effective operations now and in the future.

### Key highlights

- Implemented the release and update of Formation Customer Relationship Management (F.CRM) and F.CRM V3.2 which provided the following key enhancements and features the Authority will benefit from:
  - Bulk reimbursements functionality
  - Batch customer flag processing
  - Customer audit extracts
  - Reimbursement requests via the portal
  - Penalty interest capabilities.
- Established a framework to prioritise business requests for our core systems and developed new capabilities to ensure all business units aligned to improve communication and visibility of emerging issues.
- Undertook Information and Communication Technology (ICT) asset renewal with the roll out of 31 replacement laptops as well as mobile phones whilst implementing a new Mobile Device Management platform.
- Tested all recovery procedures ensuring staff and management are well prepared for any Business Continuity events in future. It also provided an opportunity to finesse any elements after applying our plans to a real-life scenario.

### Numbers

- 18 new major features for F.CRM
- 42 requests for data updates or minor system configuration changes
- 118 bug fixes
- 37 incidents lodged and closed with Cenitex
- One major project managed with Cenitex
- 258 internal ICT support interactions.

## Protect the long-term interests of the Authority through effective regulation using procedure governance, strategic risk management and clear policies and procedures.

### Key highlights

- New Board Secretary and Corporate Governance Manager appointed.
- Provided Secretariat support to the Governing Board, Audit & Risk Committee and Coverage Sub-Committee with prompt facilitation of actions arising.
- Organised and supported Executive Leadership team strategy day.
- Improved consistency of reporting on business unit plan developments.
- Facilitated the progress of the Authority's 2023-24 strategic priorities.
- Developed the Authority's 2023-26 three-year Corporate Plan.
- Reviewed and supported the update of the Authority's risk appetite statements.
- Conducted an analysis of enterprise risk register and created relevant new enterprise risk projections.
- Governance, risk and project management support to key internal projects.
- Chaired Quarterly Risk management meetings.
- Held risk review meetings with business unit leaders.
- Facilitated the Authority's strategic internal audit program.
- Focussed on completing internal audit actions items.
- Organised Authority-wide training on integrity, fraud and corruption and gift, benefits and hospitality.
- Implemented technological solutions to track workflow and improve efficiencies within the team.
- Review of corporate policies.
- Support and advice to staff on conflict-of-interest matters.
- Refinements and new content for the Authority's internal SharePoint Governance page.

### Numbers

- Seven Governing Board meetings, including one Governing Board Annual Planning Day
- Five Audit and Risk Committee meetings
- Three Board Coverage Sub-committee meetings
- One Executive Leadership team strategic planning day
- Eight internal audits completed
- 24 internal audit actions concluded
- 91% overall score on the risk maturity self-assessment.

# Financial performance

## Five-year financial summary

The Authority commenced operations on 18 March 2019, therefore only four full years of comparative information is available.

**Table 1: Authority five-year financial summary**

(\$'000)

Summary	2022-23	2021-22	2020-21	2019-20	2018-19
Total income from transactions	146,853	98,166	101,833	61,883	1,820
Total expenses from transactions	129,384	101,023	95,643	53,146	301
<b>Net result for the period</b>	<b>17,469</b>	<b>(2,857)</b>	<b>6,190</b>	<b>8,737</b>	<b>1,519</b>
Net cash flow from operating activities	115,390	95,420	75,929	40,387	-
Total assets	382,806	244,106	154,187	59,204	2,351
Total liabilities	351,748	230,517	137,741	48,948	832
<b>Net assets</b>	<b>31,058</b>	<b>13,589</b>	<b>16,446</b>	<b>10,256</b>	<b>1,519</b>

## Current-year financial performance

The 2022-23 financial year is the Authority's fourth full year having only commenced on 18 March 2019.

The Authority administers three schemes which provide portability of long service leave benefits for registered workers in the community services, contract cleaning and security industries in Victoria.

The Authority levies registered employers for workers in the covered industries in accordance with the *Long Service Benefits Portability Act 2018* and the *Portable Long Service Regulations 2020* and makes payments for benefits taken compared to a loss of \$22.6 million in the previous financial year.

In the 2022-23 financial year, the Authority reported a net gain for the year of \$17.5 million compared to \$2.8 million net loss in 2021-22. The major driver of performance in the current year result was a gain of \$14.2 million on the fair value of investments compared to a loss of \$22.6 million in the previous financial year.

Levy contributions from employers and contractors based on levy rates set by the Governing Board was the largest source of income from transactions. Levy contributions increased by \$13.3 million in the current year because of the increase in registered workers. There are 290,577 (228,767 2021-22) registered workers with 3,068 (2,875 2021-22) registered employers.

The Authority transferred \$136.9 million to the VFMC Balanced Fund, increasing total investments to \$320.7 million.

The portable long service benefit expense for 2022-23, which represents the increase in the benefits liability for workers, was \$120.8 million (\$93.1 million 2021-22).

Administration costs totalled \$8.6 million with \$6.1 million relating to employee benefits expense and \$2.5 million for information technology costs, office expenses, professional services, promotion costs along with internal and external audit fees.



## Financial position balance sheet

The Authority ended the financial year with net assets of \$31.1 million and a Scheme solvency ratio of 105.3%.

Cash at bank totalled \$17.0 million, which included Scheme funds collected and not transferred to VFMC investments.

The Authority increased the investment funds with VFMC to \$320.7 million and accrued \$4.1 million of investment income due in July 2023.

The Authority's actuary valued the long service leave benefits for the Scheme's 290,577 registered workers as of 30 June 2023. This amounted to \$350.2 million and is supported by \$369.6 million in Scheme assets.

## Operating cash flows

Net cash flow from operating activities was positive for the year totalling \$115.4 million, which included \$127.2 million of receipts from employers for their worker levy contributions.

The Authority transferred \$136.9 million to VFMC Balanced Fund and received \$11.3 million of investment distributions during the year.



# Investment performance

The Governing Board has approved an investment strategy based on an analysis of desired investment returns against investment risk appetite.

The investment objectives of the Authority at 30 June 2023 are:

- **Return:** To achieve an average return objective of at least CPI + 3.0% p.a. with greater than 60% probability over a rolling 10-year period; and
- **Risk:** To limit the likelihood of a negative annual return to no more than one year in every five years, and when negative returns occur not to exceed a 10% loss of capital.

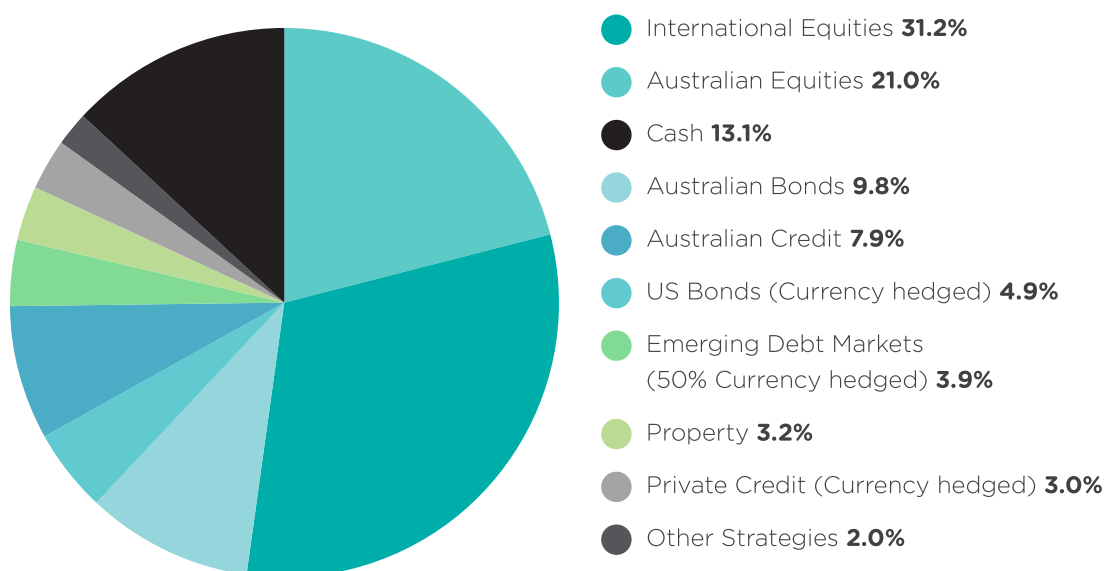
The Authority exceeded its investment return objective of CPI + 3.0% p.a. with a return of 9.51% for the 2022-23 financial year.

## Current-year investment performance

Under the Act, the Authority is permitted to invest Scheme assets for the benefit of the schemes.

The Authority has appointed VFMC as its investment manager and VFMC has determined the following balanced asset allocation of investments for the Authority's portfolio:

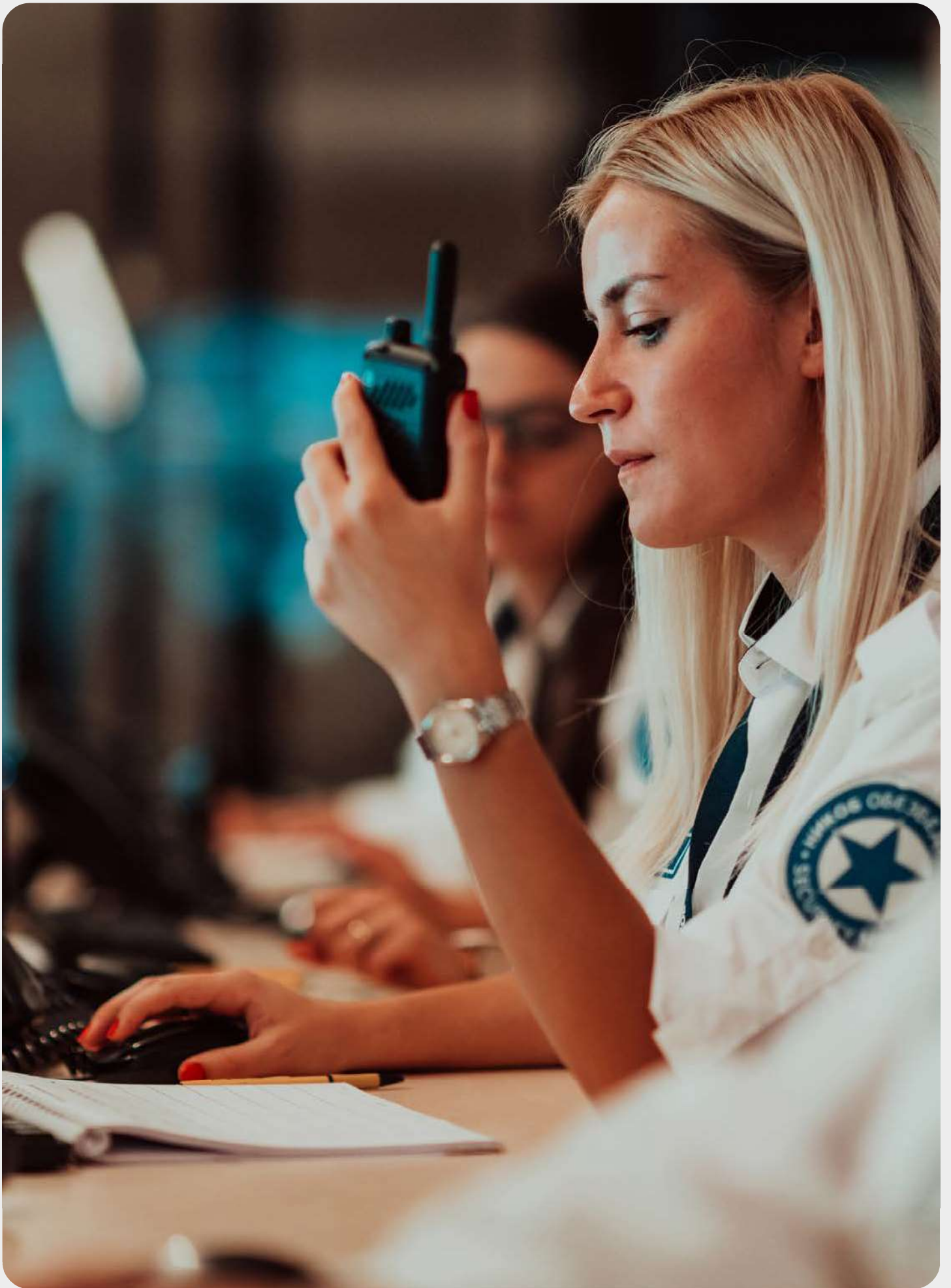
Figure 1: VFMC Asset Allocation



For the 12 months from 1 July 2022 - 30 June 2023, the Authority recorded a gain on fair value of investments of \$14.2 million against total scheme funds of \$320.7 million at 30 June 2023. The Authority received \$6.8 million of investment distribution during the year.

## Outlook

The Authority is continually working with its investment manager to adjust portfolio positioning in response to market movements and changes to economic conditions and policy outlook of governments, which may affect key investment asset classes.



# Governance and organisational structure

**The Authority is responsible to a Governing Board appointed by the Victorian Minister for Industrial Relations. The Governing Board comprises a mix of expert skills, qualifications and experience, including individuals from organisations who represent employers and workers for the three covered industries.**

The directors of the Governing Board perform their duties consistent with the standards set in the Code of Conduct for Directors of Victorian Public Entities and the duties and values contained in the *Public Administration Act 2004*.

In accordance with the Act, the Governing Board:

- sets the levy to be paid by employers and contract workers
- is responsible for the governance, strategic planning and risk management of the Authority
- advises the Minister on agreements for corresponding schemes across Australia
- may perform functions and exercise the powers of the Authority that it deems appropriate.

## Governing Board



**Julius Roe**  
Chair



**Claire Filson**  
Deputy Chair



**Emma King OAM**  
Member



**Tim Piper AM**  
Member



**Rachael Saunders**  
Member



**Lisa Darmanin**  
Member  
(commenced  
1 September 2022)



**Elisa Dickenson**  
Member



**Julie Warren**  
Member



**Joseph Yeung**  
CEO /  
Registrar



## Julius Roe, Chair

Julius Roe's career spans 40 years in industrial relations, including as a Fair Work Commissioner from 2010 to 2017.

He is currently a member of the Police Registration and Services Board and, since 2017, Julius has been working as a consultant, handling mediation in a diverse range of workplace disputes in the public and private sectors.

Julius has been a leader in vocational education and training policy, including various boards at both state and national level. He was National President of the Australian Manufacturing Workers Union from 2000-2010.

## Claire Filson, Deputy Chair

Claire Filson has worked extensively in the financial services sector, with more than 20 years' boardroom experience in superannuation and infrastructure businesses.

Before taking a break to travel in 2010, Claire was a Director on the Board of Emergency Services and State Superannuation, a 150,000-member public sector superannuation fund managing \$15 billion.

Claire has a mix of skills spanning law, governance and risk management and is currently a director of Greater Western Water and Redundancy Payment Central Fund Limited, and the Deputy Chair of the Port of Hastings Development Corporation and the Indigenous Land & Sea Corporation.

## Emma King OAM

During this financial year, Emma King was CEO and Company Secretary of the Victorian Council of Social Service. Emma is a strong voice on social justice, has a Masters in Industrial and Employee Relations and has worked as a policy adviser, teacher and in a range of industrial and training roles.

Emma is also a member of the Victorian Skills Authority and the Chair of the Farnham Street Neighbourhood House Learning Centre. Emma received a Medal of the Order of Australia (OAM) in the King's Birthday 2023 Honours List for services to the community through social welfare organisations.

## Tim Piper AM

Tim Piper is the Head of the Australian Industry Group's Victorian branch, advocating for more than 12,000 businesses in Victoria and over 60,000 across Australia. He has had significant engagement with government at all levels. He chairs the Industry Capability Network, is deputy Chair of the Rail Industry Advisory Council and sits on a number of Ministerial Committees and government bodies. During the financial year he was also on the Board and a Director at GSI and CoINVEST.

A lawyer in private practice in Australia and the UK, Tim was previously Executive Director of the Australian Retailers Association in Victoria. Tim was appointed a Member of the Order of Australia (AM) in the Queen's Birthday 2020 Honours List for significant service to industry and manufacturing, to skills training, and to multicultural youth.

## Rachaell Saunders

Rachaell Saunders is founder and CEO of National Protective Services a leading national security organisation that specialises in both protective services and electronic security. Having founded the organisation in 1988 Rachaell has an extensive career within the security industry.

Rachaell has various qualifications in marketing, international business, risk management, security and business. As CEO of National Protective Services, she sets the strategic direction for the business with focus on operations, finance, human resources, sales and marketing.

Rachaell has been on the board of the Australian Security Industry Association Limited (ASIAL) the peak body for security employers for several years and is currently Vice President.

## Lisa Darmanin

Lisa Darmanin is the current Secretary of the Australian Services Union (Victorian and Tasmanian Authorities and Services Branch). The ASU leads advocacy and campaigning across social and community services, local government, and the public sector.

In 2016, Lisa was inducted into the Victorian Honour Roll for Women in recognition of her significant contribution to the Victorian community, specifically in achieving gender equity for women. Lisa has extensive board experience and is currently Chair of Vision Super, Board Director of the Australian Institute of Superannuation Trustees, and the Trust for Nature, as well as a Shareholder Representative of the IFM Shareholder Advisory Board.



## Elisa Dickenson

Elisa Dickenson is Senior Industrial Officer of the Health and Community Services Union (Health Services Union, Vic No. 2 Branch) and has been at the union since 2015. She leads the industrial team at the union and represents members working in disability and mental health.

She holds a Bachelor of Arts/Laws degree and has extensive legal and advocacy experience. Prior to working at the union, she was a Senior Criminal Solicitor at the Victorian Aboriginal Legal Service and regularly appeared in the Magistrates' Court across Victoria.

## Julie Warren

In addition to her work with the Authority, Julie Warren is also on the Board of Victorian WorkCover Authority (WorkSafe Victoria).

She has worked for more than 20 years with the National Union of Workers and was president of the union's Victoria branch for 13 years. In that role, she has been part of a number of valuable changes in strategic direction. Previously Julie was the Senior Vice President of the Victorian Trades Hall Council and has considerable understanding of the issues and concerns that are relevant to contract industries.

## Joseph Yeung

Joseph Yeung is an experienced government Senior Executive and was previously the Chief Financial Officer at the Department of Premier and Cabinet from 2017 to 2019.

Before working in State Government, Joseph was an Assistant Secretary in the Civil Justice and Legal Services Division at the Commonwealth Attorney-General's Department in Canberra. A chartered accountant and lawyer, Joseph also holds an MBA (Executive).

As Registrar, Joseph is a non-voting member of the Governing Board.

As Chief Executive Officer, Joseph is responsible for the day-to-day management of the Authority and its operations.

The following table indicates Director attendance at Governing Board meetings for the Authority.

**Table 2: Director attendance at Governing Board meetings**

Director	Eligible to attend	Attended
Julius Roe	7	7
Claire Filson	7	7
Emma King OAM	7	6
Tim Piper AM	7	4
Rachell Saunders	7	7
Lisa Darmanin*	6	5
Elisa Dickenson	7	7
Julie Warren	7	6
Joseph Yeung	7	7

\* Noting that Lisa Darmanin is a new Director appointed on 1 September 2022.

# Audit and Risk Committee

The Audit and Risk Committee is established by the Governing Board and in accordance with the Standing Directions for the Minister for Finance (2018) under the *Financial Management Act 1994* (the Standing Directions).

It provides independent assurance and advice to the Governing Board and Chief Executive Officer / Registrar on the effectiveness of the Authority's financial management systems and controls, performance and stability, compliance with laws and regulations and risk management.

The Audit and Risk Committee comprises four members. The Committee is governed by a charter detailing its role and responsibilities consistent with the Standing Directions and best practice corporate governance principles.

## Audit and Risk Committee members

The Audit and Risk Committee consists of the following members:

- Claire Filson
- Rachael Saunders
- Julie Warren
- Peter Wyatt (independent member)



### Peter Wyatt

Independent Member  
Audit and Risk Committee

The Audit and Risk Committee's independent member, Peter Wyatt, is the Chief Financial

Officer of Treasury Corporation Victoria (TCV) and has responsibility for TCV's finance, reporting and settlements functions.

Prior to joining TCV in 2006, Peter was the Chief Financial Officer of the State Superannuation Fund, having formerly held senior management roles in life insurance and financial services organisations.

Peter has a Bachelor of Business and a Graduate Diploma of Applied Finance, is a Certified Practising Accountant, and a member of the Australian Institute of Company Directors (GAICD).

The following table indicates committee member attendance at Governing Board meetings for the Authority.

**Table 3: Attendance at Audit and Risk Committee meetings**

Director	Eligible to attend	Attended
Claire Filson	5	5
Rachael Saunders	5	5
Julie Warren*	5	5
Peter Wyatt	5	5

\* Noting that Julie Warren has departed the Audit and Risk Committee on 1 September 2022.

## Conflicts of interest

The Authority has a Conflict-of-Interest Policy for the Governing Board and for employees. These policies set out obligations in relation to managing conflicts of interest.

The policies ensure that there is a clear, transparent and accountable process in place to manage actual and perceived conflicts of interest which facilitates the Authority's compliance with section 81 of the *Public Administration Act 2004* and section 45 of the Act in relation to pecuniary interests.

## Occupational Health and Safety

The Authority is committed to providing and maintaining a healthy and safe working environment for staff and visitors in accordance with the *Occupational Health and Safety Act 2004* and associated regulations.

## OH&S Committee

The Authority's OH&S Committee meets bi-monthly to discuss the health, safety and wellbeing of staff and visitors in the workplace. The Committee consists of management, employees and health and safety representatives from both our Bendigo and Melbourne offices.

# Workforce Data

## Employment and conduct principles

The Authority is committed to applying merit and equity principles when appointing staff.

The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities, without discrimination. Employees have been correctly classified in workforce data collections.

## Public sector values and employment principles

The Authority maintains policies and practices that are consistent with the Victorian Public Sector Commission's employment standards for the application of the *Public Administration Act 2004* employment principles and provide for fair treatment, career opportunities and the early resolution of workplace issues. The Authority has advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts, and how it deals with misconduct.

## Comparative workforce data

The following table discloses the head count and full-time equivalent (FTE) of all Authority employees employed in the last full pay period in June 2023, and in the last full pay period in June 2022 of the previous reporting period.

## Comparative workforce data

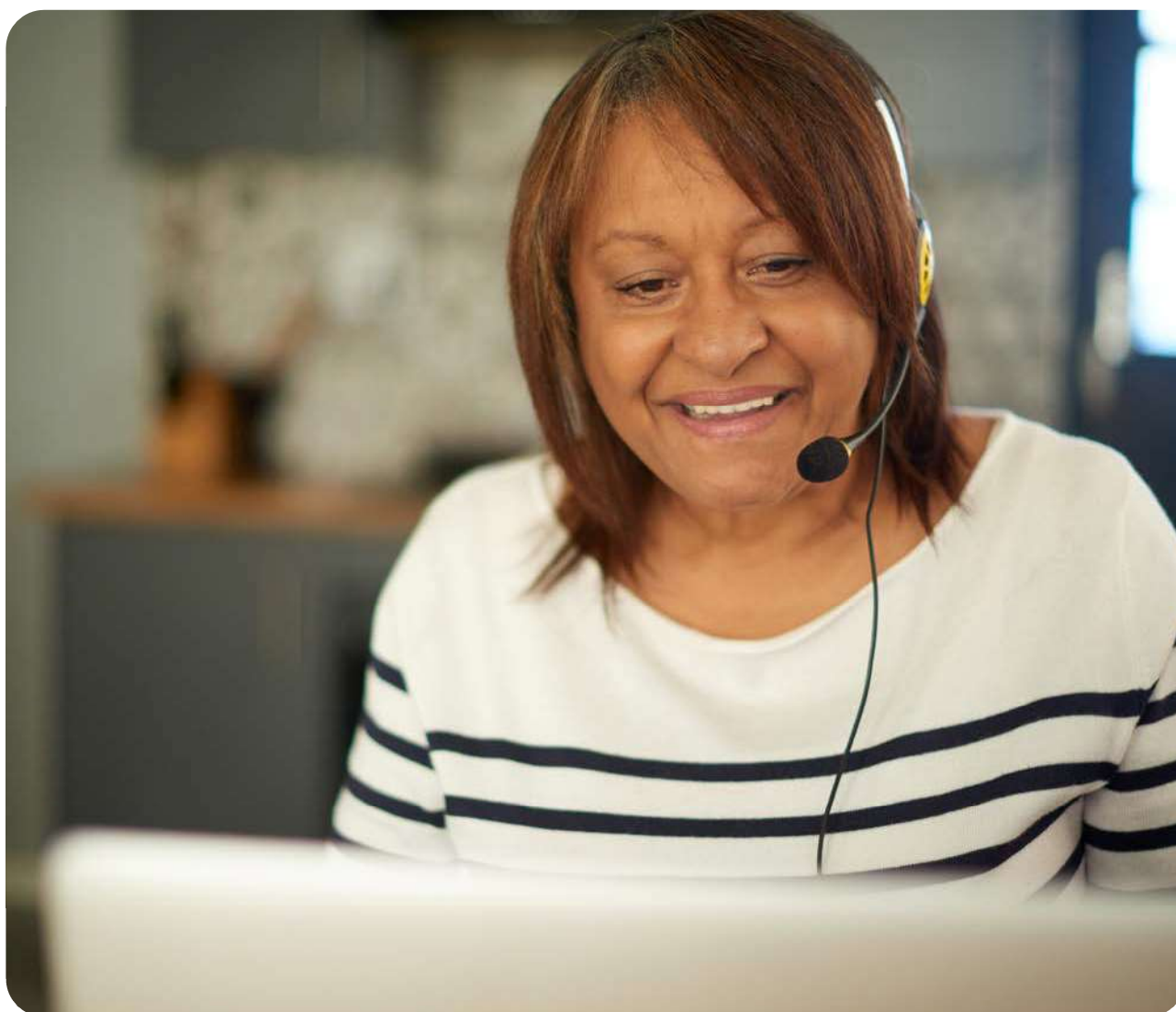
	Ongoing		Fixed Term and Casual		Total	
	Head count	FTE	Head count	FTE	Head count	FTE
<b>Gender</b>						
Male	11	11	3	3	14	14
Female	37	35.4	2	1.4	39	36.8
Self-described	-	-	-	-	-	-
<b>Age</b>						
Under 25	3	3	-	-	3	3
25-34	5	5	-	-	5	5
35-44	19	18.2	3	2.4	22	20.6
45-54	15	14.2	2	2	17	16.2
55-64	5	5	-	-	5	5
64+	1	1	-	-	1	1
<b>Classification</b>						
VPS2	16	14.8	1	0.4	17	15.2
VPS3	10	10	-	-	10	10
VPS4	10	9	1	0.8	11	9.8
VPS5	6	6	-	-	6	6
VPS6	5	4.8	-	-	5	4.8
STS	-	-	3	3	3	3
Executive	-	-	1	1	1	1



The following table discloses the annualised total salary for senior employees of the Authority, categorised by classification. The salary amount is reported as the full-time annualised salary.

**Table 4: Annualised total salary for executives and other senior-non-executive staff**

	Executives		STS	
	Headcount	FTE	Headcount	FTE
160,000 - \$179,999	-	-	-	-
\$180,000 - \$239,999	-	-	3	3
\$240,000 - \$259,999	-	-	-	-
\$260,000 +	1	1	-	-



# Other Disclosures

## Local Jobs First

The *Local Jobs First Act 2003*, introduced in August 2018, brings together the Victorian Industry Participation Policy and Major Project Skills Guarantee, which were previously administered separately.

The Authority is required to apply the Local Jobs First policy to all metropolitan Melbourne or state-wide projects valued at \$3 million or more, or any regional Victoria projects valued at \$1 million or more.

The Authority undertook no projects subject to the Act during the 2022-23 reporting period.

## Government advertising expenditure

In 2022-23 there were no government advertising campaigns with total media spend of \$10,000 or greater (exclusive of GST).

## Consultancy expenditure

### Details of consultancies (valued at \$10,000 or greater)

In 2022-23, there were two consultancies where the total fees payable to the consultants were \$10,000 or greater.

The total expenditure incurred during 2022-23 in relation to this consultancy is \$11,000 (excl. GST).

**Table 5: Details of consultancies (valued at \$10,000 or greater)**

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excl. GST) '000	Expenditure 2022-23 (excl. GST)	Future Expenditure (excl. GST) '000
Deloitte Consulting Pty Ltd	Advisory Services	18 May 2023	31 August 2023	41	-	41
Emma Savage Consulting	Advisory Services	11 January 2023	31 August 2023	25	11	14
				<b>66</b>	<b>11</b>	<b>55</b>

### Details of consultancies under \$10,000

In 2022-23, there was one consultancy engaged during the year, where the total fees payable to the individual consultancy was less than \$10,000.

The total expenditure incurred during 2022-23 in relation to this consultancy was \$8,000 (excl. GST).

# Information and communication technology expenditure

Details of information and communication technology (ICT) expenditure.

For the 2022-23 reporting period, the Authority had a total ICT expenditure of \$0.764m, with details shown below.

**Table 6: ICT expenditure**

**(\$ thousand)**

All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
Business as usual (BAU) ICT expenditure	Non-business as usual (non-BAU) ICT expenditure	Operational expenditure	Capital expenditure
(Total)	(Total = Operational expenditure and capital expenditure)		
<b>764</b>	-	-	-

ICT expenditure refers to the Authority’s costs in providing business enabling ICT services within the current reporting period. It comprises Business as Usual (BAU) ICT expenditure and non-Business as Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing the Authority’s current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure that primarily relates to ongoing activities to operate and maintain the current ICT capability.

## Disclosure of major contracts

The Authority did not award any major contracts valued above \$10 million or more during 2022-23.





# Freedom of information

The *Freedom of Information Act 1982* (the FOI Act) allows the public a right of access to documents held by the Authority.

Information about the type of material produced by the Authority is available on its website under the Part II Information Statement.

During the 2022-23 financial year, the Authority received no applications.

Access to documents may be obtained through a written request to the Freedom of Information Officer, as detailed in section 17 of the FOI Act.

## Making a request

Access to documents can be made by a written request to the Authority's Freedom of Information Officer.

When making a Freedom of Information request, applicants should ensure requests are in writing and clearly identify the documents being sought.

Requests for documents in possession of the Authority can be made via email to [foi@plsa.vic.gov.au](mailto:foi@plsa.vic.gov.au) or by mail to:

**Attention: Freedom of Information Officer**  
**Portable Long Service Authority**  
**PO Box 443**  
**Bendigo VIC 3552**

An application fee of \$31.80 applies.

## Further information

Access charges may also apply once documents have been processed and a decision on access is made, such as but not limited to photocopying, search and retrieval charges. Further information regarding Freedom of Information can be found at [ovic.vic.gov.au/freedom-of-information/](http://ovic.vic.gov.au/freedom-of-information/).

# Compliance with the *Building Act 1993* (Vic)

The Authority does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993* (Vic).

The Authority met all relevant compliance provisions of the *Building Act 1993* (Vic) in our building and maintenance activities during the year.

# Competitive neutrality policy

The Authority does not provide services that compete with the private sector and is therefore not subject to the requirements of the Victorian Competitive Neutrality Policy or subsequent reforms

# Compliance with the *Public Interest Disclosures Act 2012*

The *Public Interest Disclosures Act 2012* (the PID Act) encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The PID Act provides protection to people who make disclosures in accordance with the PID Act and establishes a system for the matters disclosed to be investigated.

The Authority encourages its officers and members of the public to report known or suspected incidences of improper conduct and detrimental action.

Disclosures of improper conduct or detrimental action by the Authority or any of its employees and/or officers must be made directly to the Independent Broad-based Anti-corruption Commission:

**Level 1, North Tower, 459 Collins Street**

**Melbourne, VIC 3000**

**Phone: 1300 735 135**

**Internet: [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)**

**Table 7: Disclosures under the *Public Interest Disclosures Act 2012***

	2022-23 number	2021-22 number	2020-21 number	2019-20 number
The number of disclosures made by an individual to the Authority and notified to the Independent Broad-based Anti-corruption Commission	-	-	-	-
Assessable disclosures	-	-	-	-

# Compliance with the *Carers Recognition Act 2012*

To the extent applicable, the Authority has taken all practical measures to comply with obligations under the *Carers Recognition Act 2012* (the CR Act). These include:

- ensuring our staff have an awareness and understanding of the care relationship principles set out in the CR Act.
- considering the care relationships principles set out in the CR Act when setting policies and providing services.
- promoting the availability of flexible work arrangements and providing resources to effectively support this.
- providing support to all staff through the Employee Assistance Program.
- increasing awareness of the flexible work arrangements and special leave arrangements available to staff during the COVID-19 pandemic to support home schooling and caring responsibilities.

# Compliance with the *Disability Act 2006*

The Authority acknowledges the importance of strengthening the rights of people with a disability. We are committed to creating and maintaining an accessible and inclusive environment for all people with a disability who come into contact with the Authority, whether as employees, stakeholders or members of the public more generally.

The Department of Premier and Cabinet developed a comprehensive Disability Access and Inclusion Plan 2021-25 which informs the Authority's policies ensuring we remain responsive to the needs of people with a disability.

## Office-based environmental impacts

The Authority's two offices, in Bendigo and Melbourne, maximise natural light, with electronics, lighting, heating and cooling switched off each evening.

The Galkangu Bendigo GovHub is highlighted by a major environmentally sustainable design feature. It is Victoria's largest timber frame office building, along with containing efficient indoor air quality systems, solar panels, water and energy monitoring systems.

Staff are encouraged to avoid printing where possible and senior staff members have been provided with portable devices to assist with this initiative. In addition, the Authority utilises "Follow Me" printing which allows us to undertake usage reporting, apply print policies organisation-wide and solve mobile printing issues while also reducing waste, saving on average, 30% of wasted print jobs sent by mistake.

All office waste systems across our two locations are segregated, reducing the amount of recyclable material directed to landfill.

Authority staff are strongly encouraged to adopt "green commuting" through active or public transport when undertaking business activities, particularly when travelling between our Bendigo and Melbourne locations as well as a higher percentage of meetings being conducted via video conferencing where possible to reduce unnecessary or excessive travel.

The Authority committed to and phased out single-use plastics in its offices. This is in line with the Authority's recognition of the importance of reducing our impact on the environment.

## Subsequent events

There are no post balance date events that materially affect the Authority's 2022-23 financial statements.

## Additional information

The Authority's published reports and documents are available online at [plsa.vic.gov.au](https://plsa.vic.gov.au).

Any relevant information in relation to the financial year is retained by the Accountable Officer and is available on request subject to the provisions of the FOI Act.



# Attestation for financial management compliance with Standing Directions 5.1.4

## Portable Long Service Benefits Authority Financial Management Compliance Attestation Statement

I, **Julius Roe**, on behalf of the Responsible Body, certify that the Portable Long Service Benefits Authority has no Material Compliance Deficiency with respect of the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



**Julius Roe**

Chair, Governing Board

Portable Long Service Benefits Authority



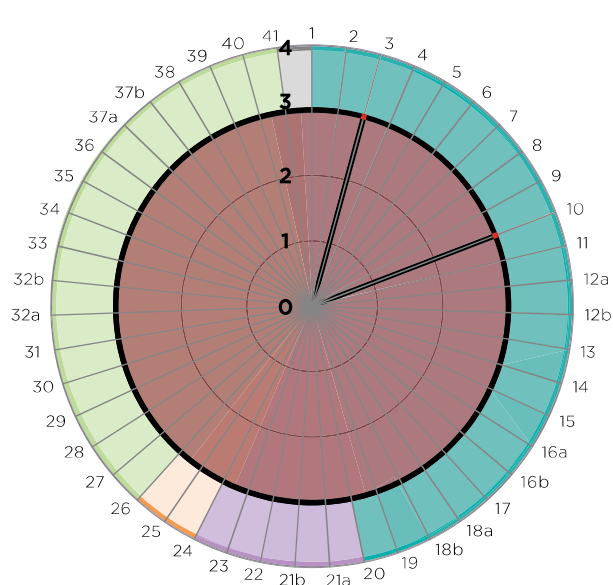
# Asset Management Accountability Framework (AMAF) maturity assessment

The following sections summarise the Authority’s assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the Department of Treasury and Finance (DTF) website ([dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework](http://dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework)).

The Authority’s target maturity rating is ‘competence’, meaning systems and processes are fully in place, consistently applied and systematically meet the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.

The Authority has assessed requirements 3 and 10 as not applicable.

**Figure 2: Asset Management Accountability Framework**



Legend	
Status	Scale
Not Applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

Target	<span style="border: 1px solid red; display: inline-block; width: 20px; height: 10px;"></span>	Overall	<span style="border: 1px solid grey; display: inline-block; width: 20px; height: 10px;"></span>
--------	--	---------	---

- **Leadership and Accountability (requirements 1-19)**  
The Authority has met its target maturity level in this category.
- **Planning (requirements 20-23)**  
The Authority has met its target maturity level in the category.
- **Acquisition (requirements 24 and 25)**  
The Authority has met its target maturity level in this category.
- **Operation (requirements 26-40)**  
The Authority has met its target maturity level in this category.
- **Disposal (requirement 41)**  
The Authority has met its target maturity level in this category.





# Financial Statements

## Table of Contents

Understanding the financial statements	52
Statutory certification	53
Independent Auditor's Report	54
Comprehensive operating statement	56
Balance sheet	57
Cash flow statement	58
Statement of changes in equity	59
Notes to the financial statements	60
Note 1: About this report	60
Note 2: Funding delivery of our services	62
Note 3: The cost of delivering our services	64
Note 4: Key assets available to support output delivery	70
Note 5: Other assets and liabilities	74
Note 6: Financing our operations	77
Note 7: Risks, contingencies and valuation judgements	81
Note 8: Other disclosures	86
Note 9: Scheme information	92



# Understanding the financial statements

## Comprehensive Operating Statement

The Comprehensive Operating Statement measures our performance over the year and shows if a surplus or deficit has been made in delivering our services. The statement includes all sources of income less all expenses incurred in earning that income.

For the financial year ending 30 June 2023, the net gain of the Authority was \$17.5 million.

## Balance Sheet

The Balance Sheet sets out our net accumulated financial worth at the end of the financial year. It shows the assets we own as well as liabilities or claims against those assets.

Both assets and liabilities are expressed as current or non-current. Current assets or current liabilities are expected to be converted to cash receipts or outlays within the next twelve months. Non-current assets or liabilities are longer-term.

Equity is our reserves and accumulated surplus that have been reinvested in the Authority over the year.

## Cash Flow Statement

The Cash Flow Statement summarises our cash receipts and payments for the financial year and the net cash position at the end of the year. It differs from the Comprehensive Operating Statement in that it excludes non-cash expenses such as the accruals taken into account in the Comprehensive Operating Statement.

For the year ending 30 June 2023, the Authority had net cash flow from operating activities of \$115.4 million.

## Statement of Changes in Equity

The Statement of Changes in Equity shows the changes in equity from last year to this year.

The total overall change in equity during a financial year comprises the net result for the year.

## Notes to the Accounts

The Notes to the Accounts provide further information about how the financial statements are prepared as well as additional information and detail about specific items within them.

The Notes to the Accounts also describe any changes to accounting standards, policy or legislation that may affect the way the statements are prepared. Information in the Notes is particularly helpful if there has been a significant change from the previous year's comparative figures.

## Statutory Certificate and Auditor General's Report

These provide the reader with a written undertaking that the financial statements fairly represent the Authority's financial position and performance for 2022-23. The Report from the Independent Auditor provides an independent view and outlines any issues of concern.

# Statutory certification

We certify that the attached financial statements for the Portable Long Service Benefits Authority have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and the accompanying notes, presents fairly the financial transactions during the financial year ended 30 June 2023 and the financial position of the Authority as at 30 June 2023.

At the date of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 15 August 2023.



**Julius Roe**  
Chair  
Portable Long Service  
Benefits Authority



**Joseph Yeung**  
Chief Executive Officer  
and Registrar  
Portable Long Service  
Benefits Authority



**Andrew Hosking**  
Chief Financial Officer  
Portable Long Service Benefits  
Authority

## Independent Auditor's Report

### To the Board of the Portable Long Service Benefits Authority

<b>Opinion</b>	<p>I have audited the financial report of the Portable Long Service Benefits Authority (the Authority) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2023</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• statutory certification.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>The Board's responsibilities for the financial report</b>	<p>The Board of the Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

---

**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

---

MELBOURNE  
12 September 2023



Janaka Kumara  
*as delegate for the Auditor-General of Victoria*



# Comprehensive operating statement

For the financial year ended 30 June 2023

	Notes	2023 (\$'000)	2022 (\$'000)
<b>Income from transactions</b>			
Government grants	2.2.2	-	232
Contributions from employers and contractors	2.2.1	125,108	111,789
Investment distribution	2.2.3	6,767	8,728
Interest		780	59
Net gain/(loss) on fair value of investments	4.2.1	14,198	(22,642)
<b>Total income from transactions</b>		<b>146,853</b>	<b>98,166</b>
<b>Expenses from transactions</b>			
Employee benefits expense	3.3.1	(6,055)	(5,541)
Portable long service benefits expense	3.4.1	(120,762)	(93,059)
Administration expense	3.2	(2,530)	(2,203)
Interest expense	6.2.2	(1)	(5)
Depreciation	4.1.2	(36)	(215)
<b>Total expenses from transactions</b>		<b>(129,384)</b>	<b>(101,023)</b>
<b>Net result from transactions (net operating balance)</b>		<b>17,469</b>	<b>(2,857)</b>
<b>Net result</b>		<b>17,469</b>	<b>(2,857)</b>
<b>Comprehensive result</b>		<b>17,469</b>	<b>(2,857)</b>

The accompanying notes form part of these financial statements.

# Balance sheet

As at 30 June 2023

	Notes	2023 (\$'000)	2022 (\$'000)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and deposits	6.3	16,968	27,212
Receivables	5.1	45,006	47,219
Investments and other financial assets	4.2	42,012	19,839
Prepayments		24	26
<b>Total current assets</b>		<b>104,010</b>	<b>94,296</b>
<b>Non-current assets</b>			
Property, plant and equipment	4.1	110	86
Investments and other financial assets	4.2	278,686	149,724
<b>Total non-current assets</b>		<b>278,796</b>	<b>149,811</b>
<b>TOTAL ASSETS</b>		<b>382,806</b>	<b>244,106</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	5.2	479	195
Employee benefits	3.3.2	876	731
Accrued portable long service benefits	3.4.2	53,477	29,367
Borrowings	6.1	15	10
<b>Total current liabilities</b>		<b>54,847</b>	<b>30,303</b>
<b>Non-current liabilities</b>			
Employee benefits	3.3.2	139	122
Accrued portable long service benefits	3.4.2	296,686	200,034
Borrowings	6.1	76	59
<b>Total non-current liabilities</b>		<b>296,901</b>	<b>200,215</b>
<b>TOTAL LIABILITIES</b>		<b>351,748</b>	<b>230,517</b>
<b>NET ASSETS</b>		<b>31,058</b>	<b>13,589</b>
<b>EQUITY</b>			
Reserves	6.5	6,818	6,818
Accumulated surplus		24,240	6,771
<b>NET WORTH</b>		<b>31,058</b>	<b>13,589</b>

The accompanying notes form part of these financial statements.

# Cash flow statement

For the financial year ended 30 June 2023

Cash Flows from Operating Activities	Notes	2023 (\$'000)	2022 (\$'000)
<b>Receipts</b>			
Receipts from Government		-	235
Receipts from employers		127,234	104,023
Goods and services tax received from the ATO (i)		(11)	49
<b>Total receipts</b>		<b>127,223</b>	<b>104,308</b>
<b>Payments</b>			
Payments to suppliers and employees		(7,807)	(7,354)
Payments to Scheme employers and workers		(4,026)	(1,534)
<b>Total payments</b>		<b>(11,833)</b>	<b>(8,887)</b>
<b>Net cash flows from operating activities</b>	6.3.1	<b>115,390</b>	<b>95,420</b>
<b>Cash Flows from Investing Activities</b>			
Payments for investments		(136,937)	(83,600)
Proceeds from sale of investments		11,339	6,128
Proceeds from sale of property, plant and equipment		1	20
Payments for property, plant and equipment		(17)	(7)
<b>Net cash flows from investing activities</b>		<b>(125,614)</b>	<b>(77,459)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of finance lease liabilities	6.2.3	(20)	(193)
<b>Net cash flows from financing activities</b>		<b>(20)</b>	<b>(193)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(10,244)</b>	<b>17,768</b>
Cash and cash equivalents at the beginning of the financial year		27,212	9,444
<b>Cash and cash equivalents at end of financial year</b>	6.3	<b>16,968</b>	<b>27,212</b>

The accompanying notes form part of these financial statements.

<sup>(i)</sup> Goods and Services Tax received/paid to the Australian Taxation Office is presented on a net basis.

# Statement of changes in equity

For the financial year ended 30 June 2023

	Reserves (\$'000)	Accumulated surplus (\$'000)	Total (\$'000)
<b>Balance at 30 June 2021</b>	<b>6,818</b>	<b>9,628</b>	<b>16,446</b>
Net result for the year	-	(2,857)	(2,857)
Transfer to reserves	-	-	-
<b>Balance at 30 June 2022</b>	<b>6,818</b>	<b>6,771</b>	<b>13,589</b>
Net result for the year	-	17,469	17,469
Transfer to reserves	-	-	-
<b>Balance at 30 June 2023</b>	<b>6,818</b>	<b>24,240</b>	<b>31,058</b>

The accompanying notes form part of these financial statements.



# Notes to the financial statements

For the financial year ended 30 June 2023

## NOTE 1: ABOUT THIS REPORT

### Introduction

The Portable Long Service Benefits Authority is a government agency of the State of Victoria, established pursuant to an order by the Governor in Council under the *Long Service Benefits Portability Act 2018*. It is an administrative agency acting on behalf of the Crown. Its principal address is:

Portable Long Service Benefits Authority  
Level 2, 195-229 Lyttleton Terrace  
Bendigo VIC 3550

### Structure

**1.1** Basis of preparation

## 1.1 Basis of Preparation

### *Compliance information*

This financial report of the Portable Long Service Benefits Authority (the Authority) is a general purpose financial report that consists of a Comprehensive Operating Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and notes accompanying these statements. The Authority is a not-for-profit entity for the purpose of preparing the financial statements. Where appropriate, those Australian Accounting Standards (AASs) paragraphs applicable to not-for-profit entities have been applied.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid. This financial report has been prepared on a going concern basis.

The Authority administers three schemes which provide portability of long service benefits for registered workers in the Community Services Industry (Community Services), Contract Cleaning Industry (Contract Cleaning) and the Security Industry (Security) in Victoria. The Authority makes payments and keeps registers of employers and workers for the covered industries in accordance with the *Long Service Benefits Portability Act 2018* (the Act).

The Authority's primary stakeholders are the employers, workers and independent contractors engaged in the Community Services, Contract Cleaning and Security Industries in Victoria. The Authority's financial statements are an aggregation of the financial statements of the administered schemes. The Authority has established separate funds for each administered scheme and funds are not cross-subsidised.

These financial statements were authorised for issue by the Governing Board of the Authority on 15 August 2023. The Authority's reporting period is from 1 July 2022 to 30 June 2023. The reporting period for last year was from 1 July 2021 to 30 June 2022.

### *Accounting policies*

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

### *Functional and presentation currency*

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

## Notes to the financial statements For the financial year ended 30 June 2023

### *Classification between current and non-current*

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being the Authority's operational cycle.

### *Rounding*

Unless otherwise stated, amounts in the report have been rounded to the nearest thousand dollars.

### *Accounting estimates*

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience from the period and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

Judgements and assumptions made by management in applying AASs that have significant effects on the financial statements and estimates relate to:

- Employee benefits expense (Note 3.3); and
- Portable long service benefits expense (Note 3.4).

## NOTE 2: FUNDING DELIVERY OF OUR SERVICES

### Introduction

This note presents the sources and amounts of income raised by the Authority and the accounting policies that are relevant for an understanding of the items reported in the financial statements.

### Structure

- 2.1** Summary of income that funds the delivery of our services
- 2.2** Income from transactions
  - 2.2.1 Contributions from employers and contractors
  - 2.2.2 Government grants
  - 2.2.3 Investment distribution

### 2.1 Summary of income that funds the delivery of our services

	Notes	2023 (\$'000)	2022 (\$'000)
Contributions from employers and contractors	2.2.1	125,108	111,789
Government grants	2.2.2	-	232
Investment distribution	2.2.3	6,767	8,728
		<b>131,875</b>	<b>120,749</b>

Income that funds the delivery of the Authority's services is accounted for consistently with the requirements of the relevant accounting standards.

### 2.2 Income from transactions

#### 2.2.1 Contributions from employers and contractors

	2023 (\$'000)	2022 (\$'000)
Community Services	101,904	87,331
Contract Cleaning	13,134	12,788
Security	10,070	11,670
	<b>125,108</b>	<b>111,789</b>

Revenue is recognised in the period to which the contributions relate. Employers and contractors registered with the Authority under a covered industry must submit a quarterly return and pay the Authority the levy payable for that quarter.

The levies applied to each industry are as per below:

- Community Services 1.65%
- Contract Cleaning 1.80%
- Security 1.80%

## Notes to the financial statements For the financial year ended 30 June 2023

### 2.2.2 Government grants

	2023	2022
	(\$'000)	(\$'000)
Department of Premier and Cabinet	-	232
	<b>-</b>	<b>232</b>

Income from grants is recognised when the Authority obtains control over the contribution. The Authority has determined that this grant income is recognised as income of not-for-profit entities in accordance with AASB 1058. Income is recognised when the Authority has an unconditional right to receive cash which usually coincides with raising of invoices by the Authority.

### 2.2.3 Investment distribution

	2023	2022
	(\$'000)	(\$'000)
Community Services	5,144	6,479
Contract Cleaning	863	1,167
Security	760	1,082
	<b>6,767</b>	<b>8,728</b>

Investment distribution is recognised by the Authority on an accrual basis.

Gains/losses arising from changes in the fair value of investments is disclosed in Note 4.



## NOTE 3: THE COST OF DELIVERING OUR SERVICES

### Introduction

This note provides information about how the Authority's funding is applied in delivering services and outputs, and the accounting policies that are relevant for an understanding of the items reported in the financial statements.

### Structure

- 3.1** Expenses incurred in the delivery of our services
- 3.2** Administration expenses
- 3.3** Employee benefits expense
  - 3.3.1 Employee benefits in the comprehensive operating statement
  - 3.3.2 Employee benefits in the balance sheet
- 3.4** Portable long service benefits expense
  - 3.4.1 Portable long service benefits in the comprehensive operating statement
  - 3.4.2 Portable long service benefits in the balance sheet

### 3.1 Expenses incurred in the delivery of our services

	Notes	2023 (\$'000)	2022 (\$'000)
Administration expenses	3.2	2,530	2,203
Employee benefits expense	3.3	6,055	5,541
Portable long service benefits expense	3.4	120,762	93,059
		<b>129,347</b>	<b>100,803</b>

Expenses are recognised net of goods and services tax (GST).

### 3.2 Administration expenses

	2023 (\$'000)	2022 (\$'000)
Office expenses	1,437	1,266
Information technology costs	764	566
Professional services	243	278
Internal and external audit fees	86	93
	<b>2,530</b>	<b>2,203</b>

Administration expenses relate to costs incurred in administering the three schemes which provide portability of long service benefits for registered workers. These costs relate to the day-to-day information technology, office expenses and professional services.

## NOTE 3: THE COST OF DELIVERING OUR SERVICES

### 3.3 Employee benefits expense

#### 3.3.1 Employee benefits in the comprehensive operating statement

Employee benefits in the Comprehensive Operating Statement are a major component of administration expenses and include all costs related to employment, including salaries and wages, superannuation, leave entitlements and WorkCover payments. The majority of employee expenses in the Comprehensive Operating Statement are salaries and wages.

	2023	2022
	(\$'000)	(\$'000)
Salaries and wages	5,004	4,666
Annual leave	369	400
Superannuation	516	441
Long service leave	166	34
	<b>6,055</b>	<b>5,541</b>

The amount recognised in the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by the Authority to the relevant superannuation plans in respect to the services of the Authority's staff. Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that the Authority is required to comply with.

#### 3.3.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of salaries and wages, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2023	2022
	(\$'000)	(\$'000)
<i>Current provisions:</i>		
Annual leave:		
Unconditional and expected to settle within 12 months	293	306
Unconditional and expected to settle after 12 months	138	96
Long service leave:		
Unconditional and expected to settle within 12 months	56	39
Unconditional and expected to settle after 12 months	262	186
Provisions for on-costs:		
Unconditional and expected to settle within 12 months	59	57
Unconditional and expected to settle after 12 months	68	47
<b>Total current provisions for employee benefits</b>	<b>876</b>	<b>731</b>
<i>Non-current provisions:</i>		
Employee benefits	119	105
On-costs	20	17
<b>Total non-current provisions for employee benefits</b>	<b>139</b>	<b>122</b>
<b>Total provisions for employee benefits</b>	<b>1,015</b>	<b>853</b>

## NOTE 3: THE COST OF DELIVERING OUR SERVICES

### *Salaries and wages, annual leave and sick leave*

Liabilities for salaries and wages (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the Authority does not have an unconditional right to defer settlement of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the Authority expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the entitlement to which they relate has occurred.

### *Long service leave*

**Unconditional LSL** is disclosed as a current liability; even where the Authority does not expect to wholly settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value - if the Authority expects to wholly settle within 12 months; or
- present value - if the Authority does not expect to wholly settle within 12 months.

**Conditional LSL** is disclosed as a non-current liability. There is conditional right to defer the settlement of the entitlement until the employee has completed the required years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

### **3.4 Portable long service benefits expense**

#### **3.4.1 Portable long service benefits in the comprehensive operating statement**

Portable long service benefits in the Comprehensive Operating Statement include all benefits, for each relevant scheme, for which a provision has been estimated for future payments to workers in each industry.

	2023	2022
	(\$'000)	(\$'000)
Community Services	99,832	75,434
Contract Cleaning	9,360	8,679
Security	11,570	8,946
	<b>120,762</b>	<b>93,059</b>

## NOTE 3: THE COST OF DELIVERING OUR SERVICES

### 3.4.2 Portable long service benefits in the balance sheet

#### Accrued portable long service benefits liability

The Authority accounts for the portable long service benefits liability under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* as a provision as it is a liability of uncertain timing or amount that satisfies the below conditions:

- it has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The total provision for accrued long service benefits is estimated at the present value of all expected future payments which arise from the service of covered workers up to the reporting date. The expected future payments are discounted based on the current market assessments of the time value of money and the risks specific to the liability. The liability is calculated by the Authority's actuary using an actuarial valuation method that takes into account assumptions of rates of departure from the industry, mortality rates, increases in wages and rates of return on investment.

Accrued portable long service benefit is classified as a current liability where the Authority does not have an unconditional right to defer the settlement of the liability for at least 12 months. The remaining balance of the liability is classified as non-current. In the context of a statutory scheme, the current liability is calculated on a conservative basis making the assumption all workers with sufficient service to receive long service benefits leave the industry within the next 12 months and claim their entitlements. This includes entitlements resulting from recognised service with an employer prior to joining the Scheme.

	2023	2022
	(\$'000)	(\$'000)
<i>Accrued portable long service benefit liability:</i>		
Unconditional and expected to settle within 12 months	53,477	29,367
Unconditional and expected to settle after 12 months	296,686	200,034
<b>Total accrued portable long service benefit liability</b>	<b>350,163</b>	<b>229,401</b>

#### Reconciliation of the provision for accrued long service benefits

<b>2022-2023</b>	Community Services	Contract Cleaning	Security	Total
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Opening balance - 1 July	176,008	27,793	25,600	229,401
Provisions recognised	93,340	6,310	10,353	110,003
Accrued portable long service benefits	6,492	3,050	1,217	10,759
<b>Closing balance - 30 June</b>	<b>275,840</b>	<b>37,153</b>	<b>37,170</b>	<b>350,163</b>
<b>2021-2022</b>	Community Services	Contract Cleaning	Security	Total
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Opening balance - 1 July	100,574	19,114	16,654	136,342
Provisions recognised	72,281	7,860	8,748	88,889
Accrued portable long service benefits	3,153	819	198	4,170
<b>Closing balance - 30 June</b>	<b>176,008</b>	<b>27,793</b>	<b>25,600</b>	<b>229,401</b>



## NOTE 3: THE COST OF DELIVERING OUR SERVICES

### Portable long service benefits recognition and measurement

At any time after completing 7 years of recognised service, a registered active worker for the Community Services, Contract Cleaning and Security Industry is entitled to an amount of portable long service benefit equal to 1/60th of the worker's total period of recognised service less any period of long service leave taken during that period. Registered active workers in the relevant sectors are credited in the workers register for each hour of service worked in each service period after the worker's registration day.

The *Long Service Benefits Portability Act 2018* requires that actuarial investigations be undertaken to investigate the state and adequacy of the money and funds of the Authority at the request of the Governing Board and at least once every three years. An actuarial investigation was performed in August 2021.

The Authority recognises a total liability for accrued portable long service benefits based on an assessment performed by an independent actuary. The actuary estimates the liability using a cash flow projection model using a number of assumptions that are based on historical data and the current profile of the registered workers.

### Accrued portable long service benefit liability

A summary of the demographic actuarial assumptions made for each industry include:

Per annum:	Community Services	Contract Cleaning	Security
Industry Exit Rates	210 per 1000 (age 20) to 0 per 1000 (age 55+)	300 per 1000 (1 YoS) to 30 per 1000 (7+ YoS)	250 per 1000 (1 YoS) to 30 per 1000 (7+ YoS)
Death Rates	0.41/0.19 per 1000 (age 20) to 2.42/1.58 per 1000 (age 50+)		
Disability Rates	0.17 per 1000 (age 20) to 1.65 per 1000 (age 50)	0.17 per 1000 (age 20) to 1.66 per 1000 (age 50)	0.34 per 1000 (age 20) to 3.31 per 1000 (age 50)
Early Retirement	70 per 1000 (age 55) to 250 per 1000 (age 75)	75 per 1000 (age 55) to 250 per 1000 (age 75)	70 per 1000 (age 55) to 250 per 1000 (age 75)
Leave Utilisation Rates	13% of vested benefits p.a.	0.5 weeks (7-10 YoS) to 1 week (10+ YoS)	0.5 weeks (7-10 YoS) to 2 weeks (10+ YoS)
Discount Rate	5.5% p.a.	5.5% p.a.	5.5% p.a.
General Salary Inflation Rate	2.5% p.a.	2.5% p.a.	2.5% p.a.
Promotional Salary Inflation Rate	8% (age 21) to 1% (age 49)	2.5% (1-9 YoS) to 0% (10+YoS)	25% (1 YoS) to 0% (9+ YoS)

Note: YoS stands for Years of Service

For the purposes of the above valuations, the following number of workers were valued:

Number of workers	Community Services		Contract Cleaning		Security	
	2023	2022	2023	2022	2023	2022
<b>Total</b>	190,434	147,815	72,171	52,036	27,972	24,193

### NOTE 3: THE COST OF DELIVERING OUR SERVICES

Expected timing of settlement	Community Services		Contract Cleaning		Security	
	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)	2023 (\$'000)	2022 (\$'000)
Not later than one year	42,854	22,217	5,596	3,579	5,027	3,571
Later than one year and not later than five years	132,247	76,034	21,664	14,860	21,734	14,865
Later than five years	100,739	77,757	9,893	9,354	10,409	7,164
<b>Total</b>	<b>275,840</b>	<b>176,008</b>	<b>37,153</b>	<b>27,793</b>	<b>37,170</b>	<b>25,600</b>

Commentary about the assumptions are provided below:

#### *Exit Rates*

The rate at which workers of different ages or years of service are expected to permanently leave the schemes due to exiting the industry, death, disability or retirement.

#### *Leave Utilisation Rates*

The future rates assumed for the taking of portable long service benefits whilst in service are based on experience investigations and analysis of similar portable schemes on the rate at which the workers have taken their portable long service benefits. The leave taking behaviour is modelled by determining either the actual days taken or the proportion of the actual taken portable long service benefit assumption relative to the portable long service balance at the start of each period, split by years of service.

#### *Salary Inflation Rates*

The long term general salary inflation is set at 2.5% p.a. for Community Services, Contract Cleaning and Security Industries. An allowance has also been made for promotional salary increases.

Additional assumptions that are applicable to all industries are provided below:

#### *Rates of Accrual of Service*

The rate of accrual of service is 1/60th as specified in the Act.

#### *Discount Rates*

The discount rate used to determine the present value of the portable long service benefits provisions is the expected return on assets. The scheme's actuary regarded the expected return on assets is a reliable measure, according to AASB 137, of the time value of money for the portable long service benefits liabilities. The expected return on assets used as a discount rate, 5.5% p.a. is based on the long term return rate of the Authority's investments in the Balanced Fund, provided by VFMC.

#### *Expenses*

In addition to accrued portable long service benefits, an allowance for the cost of settling the accrued liabilities has also been made. A unit cost for each worker (active and inactive) with an expense inflation has been applied for each worker while they have a balance.

## NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

### Introduction

The Authority controls property, plant and equipment and other investments entrusted to be administered for the purpose of delivering its objectives to its stakeholders in line with its mission and values.

### Structure

- 4.1** Total property, plant and equipment and vehicles
  - 4.1.1 Total right-of-use assets: vehicles
  - 4.1.2 Depreciation
  - 4.1.3 Change in accounting policy - leases
- 4.2** Investments and other financial assets
  - 4.2.1 Amounts recognised in profit and loss

### 4.1 Total property, plant and equipment and vehicles

Portable long service benefits in the Comprehensive Operating Statement include all benefits, for each relevant scheme, for which a provision has been estimated for future payments to workers in each industry.

	2023	2022
	(\$'000)	(\$'000)
Property, plant and equipment and vehicles at fair value	857	805
Less accumulated depreciation	(747)	(719)
<b>Net carrying amount</b>	<b>110</b>	<b>86</b>

The following table is a subset of property, plant and equipment and vehicles right-of-use assets.

#### 4.1.1 Total right-of-use assets: vehicles

	2023	2022
	(\$'000)	(\$'000)
Vehicles at fair value	107	72
Less accumulated depreciation	(17)	(3)
	<b>90</b>	<b>68</b>
<b>Net carrying amount</b>	90	68
<b>Opening balance - 1 July</b>	68	217
Additions	35	72
Disposals	-	(39)
Depreciation	(13)	(182)
<b>Closing balance - 30 June</b>	<b>90</b>	<b>68</b>

## NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

### Initial recognition

Total property, plant and equipment and vehicles represent non-current physical assets comprising equipment and right-of-use assets used by the Authority in its operations. Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

Items with a cost value in excess of \$2,500 (2021-22: \$1,500) and a useful life of more than one year are recognised as an asset. All other assets acquired are expensed. Assets acquired at no cost or for nominal consideration by the Authority are recognised at fair value at the date of acquisition.

The Authority recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

### Subsequent measurement

Property, plant and equipment as well as right-of-use assets under leases are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset). In addition, for right-of-use assets the net present value of the remaining lease payments is often the appropriate proxy for fair value of relevant right-of-use assets.

The Authority depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

#### 4.1.2 Depreciation

	2023	2022
	(\$'000)	(\$'000)
<b>Charge for the period</b>		
Buildings	-	169
Plant, equipment and vehicles	36	46
<b>Total depreciation</b>	<b>36</b>	<b>215</b>

All property, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated. Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

	2022-23	2021-22
<b>Asset</b>	Useful Life	Useful Life
Buildings - leased assets	3 years	3 years
Plant, equipment and vehicles (including leased assets)	2-3 years	2-3 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Right-of use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where the Authority obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the Authority will exercise a purchase option, the Authority depreciates the right-of-use asset over its useful life.



**NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY**

**4.2 Investments and other financial assets**

<b>2022-2023</b>	Community Services	Contract Cleaning	Security	Total
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Current investments and other financial assets</b>				
Term deposits:				
Australian dollar term deposits	32,079	5,309	4,624	42,012
<b>Total current investment and other financial assets</b>	<b>32,079</b>	<b>5,309</b>	<b>4,624</b>	<b>42,012</b>
<b>Non-current investments and other financial assets</b>				
Equities and managed investment schemes:				
Australian Equities	51,424	8,511	7,412	67,347
International Equities (not currency hedged)	76,401	12,645	11,012	100,058
Australian Bonds	23,998	3,972	3,459	31,429
US Bonds (currency hedged)	11,999	1,986	1,729	15,714
Australian Credit	19,345	3,202	2,788	25,335
Emerging Debt Markets (50% Currency Hedged)	9,550	1,581	1,376	12,507
Property	7,836	1,297	1,129	10,262
Private Credit (Currency Hedged)	7,346	1,216	1,059	9,621
Other Strategies	4,897	810	706	6,413
<b>Total non-current investment and other financial assets</b>	<b>212,796</b>	<b>35,220</b>	<b>30,670</b>	<b>278,686</b>
<b>Total investments and other financial assets</b>	<b>244,875</b>	<b>40,529</b>	<b>35,294</b>	<b>320,698</b>
<b>2021- 2022</b>				
	Community Services	Contract Cleaning	Security	Total
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Current investments and other financial assets</b>				
Term deposits:				
Australian dollar term deposits	14,745	2,644	2,450	19,839
<b>Total current investment and other financial assets</b>	<b>14,745</b>	<b>2,644</b>	<b>2,450</b>	<b>19,839</b>
<b>Non-current investments and other financial assets</b>				
Equities and managed investment schemes:				
Australian Equities	30,120	5,401	5,005	40,526
International Equities (not currency hedged)	30,246	5,424	5,026	40,695
Australian Bonds	25,457	4,565	4,230	34,252
US Bonds (currency hedged)	10,208	1,830	1,696	13,735
Australian Credit	10,208	1,830	1,696	13,735
Emerging Markets Debt (50% currency hedged)	5,041	904	838	6,783
<b>Total non-current investment and other financial assets</b>	<b>111,279</b>	<b>19,955</b>	<b>18,490</b>	<b>149,724</b>
<b>Total investments and other financial assets</b>	<b>126,024</b>	<b>22,599</b>	<b>20,941</b>	<b>169,563</b>

## NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Investments are held as units in wholesale pooled funds managed by Victoria Funds Management Corporation (VFMC) and the underlying portfolio includes cash deposits, fixed interest investments and equity investments. Investments are measured at fair value with any adjustments to the fair value recorded in the Comprehensive Operating Statement. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is based on quoted market prices of the underlying investments as at the reporting date. The quoted market price used is the current bid price.

The Authority measures all its managed investment schemes at fair value through profit or loss.

### 4.2.1 Amounts recognised in profit and loss

During the year, the following (losses)/gains were recognised in profit or loss:

<b>2022- 2023</b>	Community Services	Contract Cleaning	Security	Total
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Change in fair value of investments	10,626	1,868	1,704	14,198
<b>Total change in fair value of investments</b>	<b>10,626</b>	<b>1,868</b>	<b>1,704</b>	<b>14,198</b>
<b>2021- 2022</b>	Community Services	Contract Cleaning	Security	Total
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Change in fair value of investments	(16,775)	(3,042)	(2,825)	(22,642)
<b>Total change in fair value of investments</b>	<b>(16,775)</b>	<b>(3,042)</b>	<b>(2,825)</b>	<b>(22,642)</b>

## NOTE 5: OTHER ASSETS AND LIABILITIES

### Introduction

This note sets out those other assets and liabilities that arise from the Authority's operations.

### Structure

- 5.1** Receivables
  - 5.1.1 Movement in provision for impaired receivables
  - 5.1.2 Ageing analysis of contractual receivables
- 5.2** Payables
  - 5.2.1 Ageing analysis of contractual payables

### 5.1 Receivables

Where applicable, receivables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

	2023	2022
	(\$'000)	(\$'000)
<b>Current receivables</b>		
<i>Contractual:</i>		
Accrued investment income	4,093	7,885
<i>Statutory:</i>		
Accrued employer levy contributions	34,989	35,011
Employer levy receivables	6,800	4,878
Amount owing from the Victorian Government	-	-
GST receivables	29	19
Allowance for impairment losses of statutory receivables	(905)	(574)
<b>Total receivables</b>	<b>45,006</b>	<b>47,219</b>

Receivables consist of:

**Contractual receivables** are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The Authority holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Accrued investment income relates to the distribution of investment income from VFMC as at 30 June 2023 but received in July 2023.

## NOTE 5: OTHER ASSETS AND LIABILITIES

**Statutory receivables** do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The Authority applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Accrued employer levy contributions relate to an estimate of employer contributions for the Apr-Jun 2023 quarterly return due 31 July 2023.

Employer levy receivables is the outstanding employer contribution invoices as at 30 June 2023.

Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

Details about the Authority's exposure to credit risk are set out in Note 7.1.4.

### 5.1.1 Movement in provision for impaired receivables

The Authority recognises an impairment where there is no reasonable expectation of recovering an amount owed by a debtor. As at 30 June 2023, impaired receivables were as follows:

	2023	2022
	(\$'000)	(\$'000)
<b>Opening balance - 1 July</b>	574	23
Provision for impaired receivables recognised during the year	331	551
Receivables written off during the year as uncollectable	-	-
<b>Closing balance - 30 June</b>	905	574

### Nature and extent of risk arising from receivables

Refer to Note 7.1.4 for the nature and extent of risks arising from receivables.

### 5.1.2 Ageing analysis of contractual receivables

The ageing at 30 June 2023 includes accrued investment income. Statutory receivables and provision for impaired receivables are excluded.

	<i>Not past due &amp; not impaired</i>	<i>Past due but not impaired</i>				
		Less than 1 month	1 to 3 months	3 month to 1 year	1 to 5 years	5+ years
<b>2022-2023</b>						
Accrued investment income	4,093	-	-	-	-	-
<b>Total receivables</b>	4,093	-	-	-	-	-
<b>2021-2022</b>						
Accrued investment income	7,885	-	-	-	-	-
<b>Total receivables</b>	7,885	-	-	-	-	-

Not past due and not impaired receivables relate to investment distributions from VFMC which were subsequently received in July 2023.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.



## NOTE 5: OTHER ASSETS AND LIABILITIES

### 5.2 Payables

Payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

	2023	2022
	(\$'000)	(\$'000)
<b>Current payables</b>		
<i>Contractual:</i>		
Trade payables	50	140
Accrued expenses	429	55
<b>Total payables</b>	<b>479</b>	<b>195</b>

Payables consists of:

**Contractual payables** are classified as financial instruments and measured at amortised cost.

The contractual payables are unsecured and are usually paid within 30 days of recognition.

**Trade payables** are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

**Accrued expenses** are recognised when the Authority, as a result of a past event, has a present obligation that can be estimated reliably, and it is probable that a payment will be required to settle the obligation. The amount recognised as accrued expenses is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

#### 5.2.1 Ageing analysis of contractual payables

The ageing at 30 June 2023 includes trade payables and accrued expenses. Statutory payables are excluded.

	Carrying Amount	Nominal Amount	Maturity Dates				
			Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	5+ years
<b>2022- 2023</b>							
Trade payables	50	50	50		-	-	-
Accrued expenses	429	429	429		-	-	-
<b>Total payables</b>	<b>479</b>	<b>479</b>	<b>479</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>2021- 2022</b>							
Trade payables	140	140	140		-	-	-
Accrued expenses	55	55	55		-	-	-
<b>Total payables</b>	<b>195</b>	<b>195</b>	<b>195</b>		<b>-</b>	<b>-</b>	<b>-</b>

## NOTE 6: FINANCING OUR OPERATIONS

### Introduction

This note provides information on the balances related to the financing of the Authority, including financial commitments at year-end. The Authority's recurrent operations are generally financed from cash flows from operating activities (see Cash Flow Statement).

### Structure

- 6.1** Borrowings
- 6.2** Leases
  - 6.2.1 Right of use assets
  - 6.2.2 Amounts recognised in the Comprehensive Operating Statement
  - 6.2.3 Amounts recognised in the Cash Flow Statement
- 6.3** Cash flow information and balances
  - 6.3.1 Reconciliation of net result for the period to cash flow from operating activities
- 6.4** Commitments for expenditure
  - 6.4.1 Operating commitments
- 6.5** Reserves

### 6.1 Borrowings

	2023	2022
	(\$'000)	(\$'000)
<b>Current borrowings</b>		
Lease liabilities	15	10
Total current borrowings	15	10
<b>Non-current borrowings</b>		
Lease liabilities	76	59
Total non-current borrowings	76	59
<b>Total borrowings</b>	<b>91</b>	<b>68</b>

### 6.2 Leases

The Authority leases office premises and motor vehicles. The lease contracts are typically made for fixed periods of 1-3 years.

For any new contracts entered into, the Authority considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Authority assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Authority and for which the supplier does not have substantive substitution rights;
- the Authority has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the Authority has the right to direct the use of the identified asset throughout the period of use; and
- the Authority has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

## NOTE 6: FINANCING OUR OPERATIONS

### 6.2.1 Right of use assets

Right-of-use assets are presented in note 4.1.1.

### 6.2.2 Amounts recognised in the Comprehensive Operating Statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

	2023	2022
	(\$'000)	(\$'000)
Interest expense on lease liabilities	1	5
<b>Total amount recognised in the Comprehensive Operating Statement</b>	<b>1</b>	<b>5</b>

### 6.2.3 Amounts recognised in the Cash Flow Statement

The following amounts are recognised in the Cash Flow Statement for the year ending 30 June 2023 relating to leases:

	2023	2022
	(\$'000)	(\$'000)
<b>Total cash outflow for leases</b>	<b>20</b>	<b>193</b>

For any new contracts entered into, the Authority considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Authority assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Authority and for which the supplier does not have substantive substitution rights;
- the Authority has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the Authority has the right to direct the use of the identified asset throughout the period of use; and
- the Authority has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

#### Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

#### Recognition and measurement of leases as a lessee

##### Lease liability - initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Authority's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments);
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

## NOTE 6: FINANCING OUR OPERATIONS

### Lease Liability - subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

### Presentation of right-of-use assets and lease liabilities

The Authority presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

### 6.3 Cash flow information and balances

	2023	2022
	(\$'000)	(\$'000)
<b>Cash and deposits</b>		
Total cash and deposits disclosed in the balance sheet - Authority	12,997	9,818
Total cash and deposits disclosed in the balance sheet - Schemes	3,971	17,394
<b>Balance as per cash flow statement</b>	<b>16,968</b>	<b>27,212</b>
<b>6.3.1 Reconciliation of net result for the period to cash flow from operating activities</b>		
<b>Net result for the period</b>	<b>17,469</b>	<b>(2,857)</b>
<b>Non-cash movements</b>		
Depreciation and amortisation	36	215
Fair value (increase)/decrease in other financial assets	(14,198)	22,642
Net (gain)/loss on distribution income	(6,767)	(8,728)
Movements included in investing and financing activities	(779)	(72)
	(4,239)	11,201
<b>Movements in assets and liabilities</b>		
Decrease/(increase) in receivables	(1,580)	(8,697)
Decrease/(increase) in prepayments	2	(14)
(Decrease)/increase in payables	307	(143)
(Decrease)/increase in employee benefits	138	14
(Decrease)/increase in accrued portable long service benefits	120,762	93,059
<b>Net cash flows from/(used in) operating activities</b>	<b>115,390</b>	<b>95,420</b>

Cash flows arising from operating activities are disclosed inclusive of GST.

### 6.4 Commitments for expenditure

#### 6.4.1 Operating commitments

## NOTE 6: FINANCING OUR OPERATIONS

Commitments for future expenditure include operating commitments arising from contracts which are disclosed at their nominal value and inclusive of the GST payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the Balance Sheet.

Operating commitments in nominal values including GST as at 30 June 2023 totalled \$0.520 million (\$1.040 million in 2021-22). This amount is represented by one contract for the provision of licensed software, maintenance, support and cloud hosting managed services for a period of two years from 1 July 2022. Operating expenditure commitments under this contract are due and payable as follows:

	2023	2022
	(\$'000)	(\$'000)
<b>Operating expenditure commitments</b>		
Not later than one year	520	520
Later than one year and not later than five years	-	520
<b>Total operating expenditure commitments</b>	520	1,040
Less GST recoverable	47	95
<b>Total operating expenditure commitments (excluding GST)</b>	473	945

### 6.5 Reserves

**Valuation Model Assumption Risk:** The Portable Long Service Benefits Scheme commenced on 1 July 2019 and so as at balance sheet date, the Authority and its actuarial advisors have only 4 years of actual worker information available. As a result, the Authority has determined that a reserve for valuation model assumption risks is appropriate within the Community Services, Contract Cleaning and Security schemes.

The reserve will be reviewed periodically and revised annually at each balance sheet date.

	2023	2022
	(\$'000)	(\$'000)
<b>Reserves</b>		
Opening balance - 1 July	6,818	6,818
Transfer from/(to) accumulated surplus	-	-
<b>Closing balance - 30 June</b>	<b>6,818</b>	<b>6,818</b>



## NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

### Introduction

The Authority is exposed to risks from both its activities and external factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section presents information on the Authority's financial instruments, contingent assets and liabilities.

### Structure

- 7.1** Financial instruments specific disclosures
  - 7.1.1 Categories of financial assets
  - 7.1.2 Categories of financial liabilities
  - 7.1.3 Financial instruments: categorisation
  - 7.1.4 Financial risk management objectives and policies
- 7.2** Contingent assets and contingent liabilities

### 7.1 Financial instruments specific disclosures

#### Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Authority currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2022-23 reporting period.

Due to the nature of the Authority's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

## NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

### 7.1.1 Categories of financial assets

#### Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Authority to collect contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method less any impairment.

The Authority recognises the following assets in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).

#### Financial assets at fair value through net result

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income.

The Authority recognises its managed investments at fair value through net result.

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Authority retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Authority has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Authority has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Authority's continuing involvement in the asset.

### 7.1.2 Categories of financial liabilities

#### Financial liabilities at amortised cost

Financial liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the profit and loss over the period of the interest bearing liability, using the effective interest rate method. The Authority recognises the following liabilities in this category:

- trade payable and accrued expenses (excluding statutory payables); and
- borrowings (including lease liabilities).

#### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the Comprehensive Operating Statement.

## NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

### 7.1.3 Financial instruments: categorisation

The carrying amounts of the contractual financial assets and financial liabilities by category are disclosed below:

<b>2022-2023</b>	Financial assets at fair value through net result	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Contractual financial assets</b>				
Cash and cash deposits	-	16,968	-	16,968
<i>Receivables (excluding statutory receivables)</i>				
Accrued investment income	-	4,093	-	4,093
<i>Investments and other financial assets</i>				
Investments	320,698	-	-	320,698
<b>Total contractual financial assets</b>	320,698	21,061	-	341,759
<b>Contractual financial liabilities</b>				
<i>Payables</i>				
Trade payables and accrued expenses (excluding statutory payables)	-		479	479
Borrowings	-		91	91
<b>Total contractual financial liabilities</b>	-		570	570
<b>2021-2022</b>	Financial assets at fair value through net result	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Contractual financial assets</b>				
Cash and cash deposits	-	27,212	-	27,212
<i>Receivables (excluding statutory receivables)</i>				
Accrued investment income	-	7,885		7,885
<i>Investments and other financial assets</i>				
Investments	169,563	-	-	169,563
<b>Total contractual financial assets</b>	169,563	35,097	-	204,660
<b>Contractual financial liabilities</b>				
<i>Payables</i>				
Trade payables and accrued expenses (excluding statutory payables)	-	-	195	195
Borrowings	-	-	68	68
<b>Total contractual financial liabilities</b>	-	-	263	263

### NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

#### 7.1.4 Financial risk management objectives and policies

The activities of the Authority expose it to a variety of financial risks, market risk, credit risk and liquidity risk. This note presents information about the Authority's exposure to each of these risks, and the objectives, policies and processes for measuring and managing risk.

The Governing Board of the Authority has the overall responsibility for the establishment and oversight of the risk management framework. The overall risk management program seeks to minimise potential adverse effects on the financial performance of the Authority. The Authority uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and ageing analysis for credit.

Risk management is carried out by the Authority's management under policies approved by the Governing Board. The Governing Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risks, credit risk and non-derivative financial instruments, and investment of excess liquidity.

The main risks that the Authority is exposed to through its financial instruments are as follows:

##### (a) Credit risk

Credit risk is the risk of financial loss to the Authority as a result of an employer or counterparty to a financial instrument failing to meet its contractual obligations. Credit risk arises principally from receivables.

The Authority minimises concentrations of credit risk by undertaking transactions with a large number of employers who must pay a levy for covered workers for portable long service benefits in the Community Services, Contract Cleaning and Security Industries. The Authority is not materially exposed to any individual debtor. The Authority is also exposed to credit risk in relation to financial instruments that are designated at fair value through net result. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

There has been no material change to the Authority's credit risk profile in 2022-23.

##### (b) Market risk

Market risk is the risk that changes in market prices will affect the fair value or future cash flows of the Authority's financial instruments. Market risk comprises of foreign exchange risk, interest rate risk and other price risk. The Authority's exposures to market risk are primarily through equity price risk and interest rate risk. To a lesser extent there is exposure to foreign exchange risk and other price risk. The Authority's exposure is outlined in Note 4.2.

Objectives, policies and processes used to manage these risks are disclosed in the paragraphs below:

###### (i) Interest rate risk

The Authority has minimal exposure to interest rate risk through its holding of other financial assets.

###### (ii) Other price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether these changes are caused by factors specific to the individual financial instrument or its issuer; or by factors affecting all similar financial instruments traded in the market. The price risk which the Authority is exposed to is significant and results from its investments. The Authority has investments which are managed by VFMC, and includes exposure to listed and unlisted equities and property, fixed interest and other securities and instruments. The Authority's investments fluctuate in value. The price fluctuations are caused by movements in the underlying investments of the portfolio.

To manage price risk, the investments are managed by VFMC who is the Authority's independent professional investment manager. VFMC target a balanced portfolio allocation of assets based on direction from the Authority's Governing Board. Actual allocations are permitted to deviate from the target allocation provided that they are within the set allocation ranges.

The investment fund seeks to match the weighted average return of the target indexes of the underlying funds before taking into account fund fees and expenses.

## NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

The following table indicates the Authority's exposure to price risk, by showing the estimated impact on the profit/(loss) and equity of the Authority of a +/- 15% movement in unit price of the fund in which the schemes have invested and therefore a +/- 15% in the value of the investments. The Authority considers a +/- 15% movement in markets to be reasonably foreseeable.

<b>2022-2023</b>	Carrying Amount	-15% Price Movement Profit/Equity	+15% Price Movement Profit/Equity
	(\$'000)	(\$'000)	(\$'000)
<b>Financial assets</b>			
Investments and other financial assets	320,698	(48,105)	48,105
<b>Total</b>	320,698	(48,105)	48,105
<b>2021-2022</b>	Carrying Amount	-15% Price Movement Profit/Equity	+15% Price Movement Profit/Equity
	(\$'000)	(\$'000)	(\$'000)
<b>Financial assets</b>			
Investments and other financial assets	169,563	(25,434)	25,434
<b>Total</b>	169,563	(25,434)	25,434

### (c) Liquidity risk

Liquidity Risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's policy is to settle financial obligations within 30 days and in the event of a dispute make payments within 30 days from the date of resolution.

The Authority manages liquidity risk by maintaining adequate reserves of cash and by continuously monitoring actual cash flows against forecast cash flows of the Authority.

### 7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

There were no material contingent assets or liabilities at 30 June 2023 (30 June 2022: \$nil).



## NOTE 8: OTHER DISCLOSURES

### Introduction

This note provides information on other disclosures that impact the Authority.

### Structure

- 8.1** Responsible persons
- 8.2** Remuneration of executives
- 8.3** Related parties
- 8.4** Events occurring after the balance date
- 8.5** Auditors remuneration
- 8.6** Australian Accounting Standards issued that are not yet effective

### 8.1 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

The following lists the responsible persons for the Authority during the year:

Name	Title	Period of appointment	
		From	To
The Hon. Tim Pallas MP	Minister for Industrial Relations	01 July 2022	30 June 2023
Julius Roe	Director (Chair)	01 July 2022	30 June 2023
Claire Filson	Director (Deputy Chair)	01 July 2022	30 June 2023
Emma King OAM	Director	01 July 2022	30 June 2023
Elisa Dickenson	Director	01 July 2022	30 June 2023
Lisa Darmanin	Director	01 Sept 2022	30 June 2023
Tim Piper AM	Director	01 July 2022	30 June 2023
Rachael Saunders	Director	01 July 2022	30 June 2023
Julie Warren	Director	01 July 2022	30 June 2023
Joseph Yeung	Director and Chief Executive Officer	01 July 2022	30 June 2023

## NOTE 8: OTHER DISCLOSURES

### Remuneration

The number of Responsible Persons whose remuneration from the Authority was within the specified bands were as follows:

Income band (\$):	2023	2022
	No.	No.
\$10,000 - \$19,999	1	3
\$20,000 - \$29,999	6	5
\$50,000 - \$59,999	1	1
\$290,000 - \$299,999	1	1
Total Numbers	9	10

Remuneration received, or due and receivable, during 2022-23 by Responsible Persons including the Accountable Officer from the Authority in connection with the management of the Authority was \$528,995 (\$526,363 in 2021-22).

### 8.2 Remuneration of executives

The number of executive officers, other than the Minister and Accountable Officer listed in Note 8.1 and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the Authority, or on behalf of the Authority, in exchange for services rendered, and is disclosed in the following categories:

- **Short-term employee benefits** include amounts such as wages, salaries, annual leave, cashed out annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services;
- **Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased;
- **Other long-term benefits** include long service leave, other long-service benefit or deferred compensation; and
- **Termination benefits** include payments made when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment.

Remuneration of Executive Officers	2023	2022
	(\$'000)	(\$'000)
Short-term employee benefits	581	179
Post-employment benefits	60	17
Other long-term benefits	10	4
Termination benefits	-	30
Total remuneration <sup>(i)</sup>	651	230
Total number of executives	3	1
Total annualised employee equivalents <sup>(ii)</sup>	2.8	0.7

(i) No Executive Officers meet the definition of Key Management Personnel (KMP) of the Authority under AASB 124 *Related Party Disclosures* and as such, are not included in the related parties note disclosure (Note 8.3).

(ii) Annualised employee equivalent is based on the time fraction worked over the reporting period.

## NOTE 8: OTHER DISCLOSURES

### 8.3 Related Parties

The Authority is a wholly owned and controlled entity of the State of Victoria.

Related parties of the Authority include:

- All key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- All cabinet ministers and their close family members; and
- All departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

#### Significant transactions with government-related entities

During the year, the Authority had the following government-related entity transactions (exclusive of GST):

	2023	2022
	(\$'000)	(\$'000)
<i>Amounts recognised as income in the Comprehensive Operating Statement</i>		
<b>Entity and nature of transaction</b>		
Department of Premier and Cabinet - Grant funding to establish the Authority	-	232
<b>Total</b>	<b>-</b>	<b>232</b>

#### Key management personnel

KMP (as defined in AASB 124 *Related Party Disclosures*) are those persons having authority and responsibility for planning, directing and controlling the activities of the Authority, directly or indirectly. KMP of the Authority includes the Portfolio Minister, all Directors and the Chief Executive Officer as listed under responsible persons in Note 8.1.

	2023	2022
	(\$'000)	(\$'000)
Compensation of Key Management Personnel <sup>(i)</sup>		
Short-term employee benefits	474	479
Post-employment benefits	50	44
Other long-term benefits	5	4
<b>Total</b>	<b>529</b>	<b>527</b>

(i) The compensation detailed above excludes the salaries and benefits the Portfolio Minister receives.

#### Transactions with key management personnel and other related parties

Outside of normal citizen type transactions with the Authority, there were no related party transactions that involved key management personnel and their close family members.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

### 8.4 Events occurring after the balance date

There have been no matters and/or circumstances that have arisen since the end of the reporting period which significantly affect or may significantly affect the operations of the Authority, the results of those operations, or the state of affairs of the Authority in future financial years.

## NOTE 8: OTHER DISCLOSURES

### 8.5 Auditors Remuneration

Auditors remuneration for auditing the financial statements of the Authority excluding GST for 2022-23 has been set at \$42,500 (\$35,700 in 2021-22) by the Victorian Auditor-General's Office. No other benefits were received or are receivable by the Victorian Auditor-General's Office.

### 8.6 Australian Accounting Standards issued that are not yet effective

As at 30 June 2023, the following applicable standards and interpretations had been issued but were not mandatory for the financial year ending 30 June 2023. The Authority has not and does not intend to adopt these standards early.

Standard/ Interpretation <sup>(1)</sup>	Summary	Effective date	Effective date for the entity	Estimated impact
AASB 2022-10 <i>Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not- for-Profit Public Sector Entities.</i>	<p>AASB 2022-10 amends AASB 13 <i>Fair Value Measurement</i> by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.</p> <p>Among other things, the Standard:</p> <ul style="list-style-type: none"> <li>• specifies that an entity needs to consider whether an asset's highest and best use differs from its current use only when it is held for sale or held for distributions to owners under AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> or if it is highly probable that it will be used for an alternative purpose;</li> <li>• clarifies that an asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capacity to provide needed goods or services and the resulting costs of those goods and services;</li> <li>• specifies that if both market selling price and some market participant data required to fair value the asset are not observable, an entity needs to start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data; and</li> <li>• provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and identification of economic obsolescence.</li> </ul>	1/1/2024	1/7/2024	Based on a preliminary assessment by the Authority, there will be no significant impact.

## Notes to the financial statements For the financial year ended 30 June 2023

### NOTE 8: OTHER DISCLOSURES

Standard/ Interpretation <sup>(1)</sup>	Summary	Effective date	Effective date for the entity	Estimated impact
AASB 17 <i>Insurance Contracts</i> , AASB 2022-8 <i>Amendments to Australian Accounting Standards - Insurance Contracts: Consequential Amendments</i> and AASB 2022-9 <i>Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector</i>	<p>AASB 17 replaces AASB 4 <i>Insurance Contracts</i>, AASB 1023 <i>General Insurance Contracts</i> and AASB 1038 <i>Life Insurance Contracts</i> for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.</p> <p>AASB 2022-9 amends AASB 17 to make public sector-related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026.</p> <p>AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026.</p>	1/1/2023	1/7/2023	Based on a preliminary assessment by the Authority, there will be no significant impact.
AASB 2020-1 <i>Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current</i> and AASB 2022-6 <i>Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants</i>	<p>AASB 2020-1 amended AASB 101 <i>Presentation of Financial Statements</i> to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current and was applicable to annual reporting periods beginning on or after 1 January 2022.</p> <p>AASB 2020-6 subsequently amended AASB 2020-1, deferring the mandatory effective date of AASB 2020-1 from 1 January 2022 to 1 January 2023. AASB 2022-6 was applicable for annual reporting periods beginning on or after 1 January 2022.</p> <p>AASB 2022-6 amends and clarifies the requirements contained in AASB 2020-1. Among other things, it:</p> <ul style="list-style-type: none"> <li>clarifies that only those covenants that an entity must comply with at or before the reporting date affect a liability's classification as current or non-current; and</li> <li>requires additional disclosures for non-current liabilities that are subject to an entity complying with covenants within twelve months after the reporting date.</li> </ul>	1/1/2023	1/7/2023	Based on a preliminary assessment by the Authority, there will be no significant impact.



## NOTE 8: OTHER DISCLOSURES

The following accounting pronouncements are also issued but not effective for the 2022-23 reporting period. At this stage, the preliminary assessment suggests they may have insignificant impacts on public sector reporting.

- AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*
- AASB 17 *Insurance Contracts*
- AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments*
- AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*
- AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*  
AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*

## NOTE 9: SCHEME INFORMATION

### Introduction

This note provides information relating to the Comprehensive Operating Statement and Balance Sheet for each Scheme that the Authority administers. These financial statements include Administration expenses which relates to the Authority's cost to administer the Schemes. The Administration expense is calculated at 0.15% of Total Ordinary Pay within each Scheme and was determined at the time the Actuarial Report calculated the levy rates. When consolidated, the Administration expense is eliminated.

### Structure

- 9.1** Community Services scheme
  - 9.1.1 Comprehensive operating statement
  - 9.1.2 Balance sheet
- 9.2** Contract Cleaning scheme
  - 9.2.1 Comprehensive operating statement
  - 9.2.2 Balance sheet
- 9.3** Security scheme
  - 9.3.1 Comprehensive operating statement
  - 9.3.2 Balance sheet

## NOTE 9: SCHEME INFORMATION

### 9.1 Community Services scheme

#### 9.1.1 Comprehensive operating statement

	Notes	2023	2022
<b>Income from transactions</b>		(\$'000)	(\$'000)
Contributions from employers and contractors	2.2.1	101,904	87,331
Investment distribution	2.2.3	5,144	6,478
Interest		359	25
Net gain/(loss) on fair value of investments	4.2.1	10,626	(16,775)
<b>Total income from transactions</b>		118,033	77,059
<b>Expenses from transactions</b>			
Portable long service benefits expense	3.4.1	(99,832)	(75,434)
Administration expenses		(9,569)	(7,609)
<b>Total expenses from transactions</b>		(109,401)	(83,043)
<b>Net result from transactions (net operating balance)</b>		8,632	(5,984)
<b>Net result</b>		8,632	(5,984)
<b>Comprehensive result</b>		8,632	(5,984)
<b>9.1.2 Balance sheet</b>			
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and deposits	6.3	2,822	14,188
Receivables	5.1	35,779	34,095
Investments and other financial assets	4.2	32,079	14,745
<b>Total current assets</b>		70,680	63,028
<b>Non-current assets</b>			
Investments and other financial assets	4.2	212,796	111,279
<b>Total non-current assets</b>		212,796	111,279
<b>TOTAL ASSETS</b>		283,476	174,307
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	5.2	838	133
Accrued portable long service benefits	3.4.2	42,854	22,217
<b>Total current liabilities</b>		43,692	22,350
<b>Non-current liabilities</b>			
Accrued portable long service benefits	3.4.2	232,986	153,791
<b>Total non-current liabilities</b>		232,986	153,791
<b>TOTAL LIABILITIES</b>		276,678	176,141
<b>NET ASSETS</b>		6,798	(1,834)
<b>EQUITY</b>			
Reserves	6.5	5,029	5,029
Accumulated surplus/(deficit)		1,769	(6,863)
<b>NET WORTH</b>		6,798	(1,834)

## NOTE 9: SCHEME INFORMATION

### 9.2 Contract Cleaning scheme

#### 9.2.1 Comprehensive operating statement

	Notes	2023	2022
		(\$'000)	(\$'000)
<b>Income from transactions</b>			
Contributions from employers and contractors	2.2.1	13,134	12,788
Investment income	2.2.3	863	1,167
Interest		56	4
Net gain/(loss) on fair value of investments	4.2.1	1,868	(3,042)
<b>Total income from transactions</b>		15,921	10,917
<b>Expenses from transactions</b>			
Portable long service benefits expense	3.4.1	(9,360)	(8,679)
Administration expenses		(1,249)	(1,071)
<b>Total expenses from transactions</b>		(10,609)	(9,750)
<b>Net result from transactions (net operating balance)</b>		5,312	1,167
<b>Net result</b>		5,312	1,167
<b>Comprehensive result</b>		5,312	1,167

#### 9.2.2 Balance sheet

##### ASSETS

##### Current assets

Cash and deposits	6.3	441	1,785
Receivables	5.1	5,230	7,058
Investments and other financial assets	4.2	5,309	2,644
<b>Total current assets</b>		10,980	11,487

##### Non-current assets

Investments and other financial assets	4.2	35,221	19,955
<b>Total non-current assets</b>		35,221	19,955
<b>TOTAL ASSETS</b>		46,201	31,442

##### LIABILITIES

##### Current liabilities

Payables	5.2	92	5
Accrued portable long service benefits	3.4.2	5,596	3,579
<b>Total current liabilities</b>		5,688	3,584

##### Non-current liabilities

Accrued portable long service benefits	3.4.2	31,557	24,214
<b>Total non-current liabilities</b>		31,557	24,214
<b>TOTAL LIABILITIES</b>		37,245	27,798

##### NET ASSETS

<b>EQUITY</b>			
Reserves	6.5	956	956
Accumulated surplus		8,000	2,688
<b>NET WORTH</b>		8,956	3,644

## NOTE 9: SCHEME INFORMATION

### 9.3 Security scheme

#### 9.3.1 Comprehensive operating statement

	Notes	2023	2022
<b>Income from transactions</b>		(\$'000)	(\$'000)
Contributions from employers and contractors	2.2.1	10,070	11,670
Investment distribution	2.2.3	760	1,082
Interest		41	3
Net gain/(loss) on fair value of investments	4.2.1	1,704	(2,825)
<b>Total income from transactions</b>		12,575	9,930
<b>Expenses from transactions</b>			
Portable long service benefits expense	3.4.1	(11,570)	(8,946)
Administration expenses		(1,057)	(1,149)
<b>Total expenses from transactions</b>		(12,627)	(10,095)
<b>Net result from transactions (net operating balance)</b>		(52)	(165)
<b>Net result</b>		(52)	(165)
<b>Comprehensive result</b>		(52)	(165)
<b>9.3.2 Balance sheet</b>			
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and deposits	6.3	708	1,421
Receivables	5.1	3,966	6,046
Investments and other financial assets	4.2	4,624	2,450
<b>Total current assets</b>		9,298	9,917
<b>Non-current assets</b>			
Investments and other financial assets	4.2	30,670	18,490
<b>Total non-current assets</b>		30,670	18,490
<b>TOTAL ASSETS</b>		39,968	28,407
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	5.2	81	38
Accrued portable long service benefits	3.4.2	5,027	3,571
<b>Total current liabilities</b>		5,108	3,609
<b>Non-current liabilities</b>			
Accrued portable long service benefits	3.4.2	32,143	22,029
<b>Total non-current liabilities</b>		32,143	22,029
<b>TOTAL LIABILITIES</b>		37,251	25,638
<b>NET ASSETS</b>		2,717	2,769
<b>EQUITY</b>			
Reserves	6.5	833	833
Accumulated surplus		1,884	1,936
<b>NET WORTH</b>		2,717	2,769



# Appendix 1: Disclosure Index

The annual report of the Authority is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the Authority's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
<b>Standing Directions and Financial Reporting Directions</b>		
<b>Report of operations</b>		
<b>Charter and purpose</b>		
FRD 22	Manner of establishment and the relevant Ministers	6
FRD 22	Purpose, functions, powers and duties	6, 12
FRD 8	Departmental objectives, indicators and outputs	21
FRD 22	Key initiatives and projects	28-31
FRD 22	Nature and range of services provided	12
<b>Management and structure</b>		
FRD 22	Organisational structure	17
<b>Financial and other information</b>		
FRD 8	Performance against output performance measures	22
FRD 8	Budget portfolio outcomes	22
FRD 10	Disclosure index	96-97
FRD 12	Disclosure of major contracts	44
FRD 15	Executive disclosures	42
FRD 22	Employment and conduct principles	40
FRD 22	Occupational health and safety policy	39
FRD 22	Summary of the financial results for the year	32
FRD 22	Significant changes in financial position during the year	33
FRD 22	Major changes or factors affecting performance	32
FRD 22	Subsequent events	47
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	45
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	45
FRD 22	Statement on National Competition Policy	45
FRD 22	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	46
FRD 22	Application and operation of the <i>Carers Recognition Act 2012</i>	46
FRD 22	Details of consultancies over \$10 000	43
FRD 22	Details of consultancies under \$10 000	43
FRD 22	Disclosure of government advertising expenditure	43
FRD 22	Disclosure of ICT expenditure	44
FRD 22	Statement of availability of other information	47

Legislation	Requirement	Page reference
<b>Standing Directions and Financial Reporting Directions</b>		
FRD 22	Asset Management Accountability Framework (AMAF) maturity assessment	49
FRD 24	Reporting of office based environmental impacts	47
FRD 25	Local Jobs First	43
FRD 29	Workforce Data disclosures	40
SD 5.2	Specific requirements under Standing Direction 5.2	53
<b>Compliance attestation and declaration</b>		
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	48
SD 5.2.3	Declaration in report of operations	48
<b>Financial statements</b>		
<b>Declaration</b>		
SD 5.2.2	Declaration in financial statements	53
<b>Other requirements under Standing Directions 5.2</b>		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	53
SD 5.2.1(a)	Compliance with Standing Directions	48, 53
SD 5.2.1(b)	Compliance with Model Financial Report	53
<b>Other disclosures as required by FRDs in notes to the financial statements <sup>(a)</sup></b>		
FRD 9	Departmental Disclosure of Administered Assets and Liabilities by Activity	na
FRD 11	Disclosure of Ex gratia Expenses	na
FRD 13	Disclosure of Parliamentary Appropriations	na
FRD 21	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	86
FRD 103	Non Financial Physical Assets	na
FRD 110	Cash Flow Statements	58
FRD 112	Defined Benefit Superannuation Obligations	na
FRD 114	Financial Instruments - general government entities and public non-financial corporations	81

Note: (a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.

Legislation	Page reference
<i>Freedom of Information Act 1982</i>	45
<i>Building Act 1993</i>	45
<i>Public Interest Disclosures Act 2012</i>	46
<i>Carers Recognition Act 2012</i>	46
<i>Disability Act 2006</i>	47
<i>Local Jobs Act 2003</i>	43
<i>Financial Management Act 1994</i>	53







Published by the Portable Long Service Authority  
195-229 Lyttleton Terrace  
Bendigo, Victoria 3550  
Telephone 1800 517 158

September 2023

© Copyright Portable Long Service Authority 2023

This publication is copyright. No part may be reproduced by any process except in accordance with provisions of the *Copyright Act 1968*.

Authorised by the Victorian Government, Melbourne.

Printed by Finsbury Green.

Designed by Franky Demaria Design.

ISSN 2652-242X (Print)

ISSN 2652-2438 (pdf/online/MS word)

#### **Disclaimer**

This publication may be of assistance to you but the State of Victoria and its employees do not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication. While every effort has been made to ensure the currency, accuracy or completeness of the content we endeavour to keep the content relevant and up to date and reserve the right to make changes as required. The Victorian Government, authors and presenters do not accept any liability to any person for the information (or the use of the information) which is provided or referred to in the report.

#### **Accessibility**

To request a PDF or word version of this document, please e-mail [enquires@plsa.vic.gov.au](mailto:enquires@plsa.vic.gov.au) or call 1800 517 158.



**Portable  
Long Service  
Authority**

