

Annual Report 2023-24

**Delivering a Quality
Portable Long Service
Leave Scheme**



Responsible Body's Declaration

In accordance with the *Financial Management Act 1994 (Vic)*, I am pleased to present the Portable Long Service Benefits Authority's Annual Report for the year ending 30 June 2024.



Julius Roe
Chair, Governing Board
Portable Long Service Benefits Authority

Community Services

Contract Cleaning

Security

Victoria's portable long service scheme means workers in community services, contract cleaning and security can now accrue long service entitlements and transfer them from job to job.



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Who We Are

The Portable Long Service Benefits Authority (the Authority) is an independent statutory body established to oversee the *Long Service Benefits Portability Act 2018 (Vic)* (the Act). The Act, along with the *Long Service Benefits Portability Regulations 2020 (Vic)*, creates a scheme allowing long service benefits to be transferable for Victorian workers in the community services, contract cleaning, and security industries.

The Portable Long Service Benefits Scheme (the Scheme) was established following an inquiry by the Victorian Parliament's Economic, Education, Jobs and Skills Committee to allow workers to accrue long service benefits based on their total time in an industry, not with a single employer.

Since 2019, the Scheme has become one of Australia's largest portable long service leave schemes. The Authority manages employer and worker registrations and oversees investment funds from employer levies for future entitlements.

The Authority is also charged with educating employers on their obligations under the Act. It uses its legislative powers to ensure proper worker registration, especially in the face of under registration, which remains one of the Authority's key priorities.

Simultaneously, the Authority also educates workers about their rights, empowering them to inquire about their registration for the Scheme and manage their details.

Vision

Our vision is to deliver a quality Scheme to protect the benefits of those who are entitled to them.

Purpose

The Authority administers an effective 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.

Our shared 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 its 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.

Chairperson and Registrar's Report — Delivering a quality Portable Long Service Benefits Scheme

On behalf of the Governing Board, we are pleased to present the Authority's Annual Report for the financial year ended 30 June 2024.

In five short years since the Scheme's inception in 2019, much has changed for workers and employers alike. The Scheme's core purpose has been to administer an effective Scheme to ensure that workers in the community services, contract cleaning and security industries can accrue long service benefits even if they change employers within their industry. Workers in these industries frequently move from one short-term position to another. Prior to the establishment of the Scheme this meant that many workers missed out on long service entitlements.


The community services, contract cleaning and security industries are important to the Victorian economy. In the past year alone, an additional 60,000 workers have been registered with the Authority, taking the total number of workers on the Authority's register to more than 355,000. The number of employers has also grown, with more than 3,400 employers now registered with the Authority. Registration of covered employers is mandatory by law and vital to the growth and continued success of the Scheme.

The 2023-24 financial year saw the Authority continue to focus on identifying employers who have failed to register, as well as employers who have failed to include all eligible workers on their quarterly returns. We are taking new compliance and enforcement actions and enhancing communication with workers and stakeholders to assist in identification of non-compliance. We are also investing in the development and implementation of vital frameworks and infrastructure to support better systems and practices consistent with our

2023-26 Corporate Plan. This will make us more accessible and responsive to registered employers and workers.

A great deal of effort across every business unit within the organisation has contributed to the Scheme's success in 2023-24. We would like to take this opportunity to thank staff within the Authority who have worked on the various projects consistent with the Governing Board's outlined strategic priorities.

Our vision for the Scheme is an ambitious one and there is much work to be done as workers begin to reach eligibility for their portable long service leave entitlements.



Julius Roe
Chair, Governing Board



Joseph Yeung
Chief Executive Officer
Registrar





What We Do

Functions and Independence

Functions

The Authority has several key functions under the Act:

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

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. Authority staff are Victorian Public Service (VPS) employees.

Machinery of government changes

On 1 February 2024, a Machinery of government came into effect. This resulted in the Authority's responsible department transferring from the Department of Premier and Cabinet to the Department of Treasury and Finance. The Authority continues to be accountable to the Minister for Industrial Relations. The Authority has incurred negligible costs associated with the transfer. These costs that have been incurred relate primarily to information technology (IT) systems.

Year in Review

Registered Workers

355,904

22.48% increase from 2022-23 - 290,577



Community Services

↑ 233,361

22.54% increase from 2022-23 - 190,434



Contract Cleaning

↑ 90,649

25.60% increase from 2022-23 - 72,171



Security

↑ 31,894

14.02% increase from 2022-23 - 27,972

Worker Breakdown

Contract Cleaning **90,649**

Female **43,069**

Male **41,300**

Other - non-binary, not specified and other **6,280**

Security **31,894**

Female **4,662**

Male **25,737**

Other - non-binary, not specified and other **1,495**

Community Services **233,361**

Female **172,579**

Male **48,283**

Other - non-binary, not specified and other **12,499**

Registered Employers

3,412

11.21% increase from 2022-23 - 3,068



↑ 2,215

Community Services

11.87% increase from 2022-23 - 1,980



↑ 747

Contract Cleaning

14.92% increase from 2022-23 - 650



↑ 450

Security

2.74% increase from 2022-23 - 438

Community Engagement



13,103

Outbound calls



eNewsletter

Monthly email subscribers increased by

↑ **5.5%**

Average open rate for external monthly email newsletter was

44.97%



Social Media Engagement

Facebook

↑ **23.8%**

Followers

↑ **2.9%**

Engagement

LinkedIn

↑ **78.2%**

Followers

↑ **39.1%**

Engagement

X

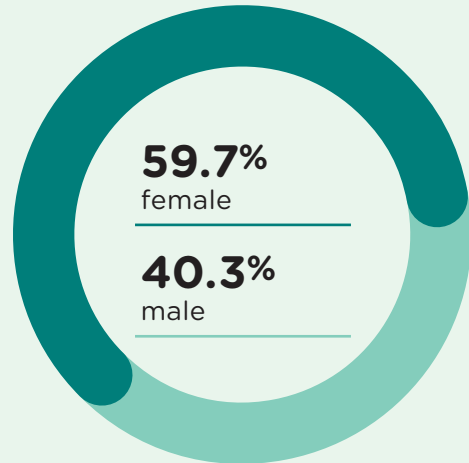
↑ **437.5%**

Followers

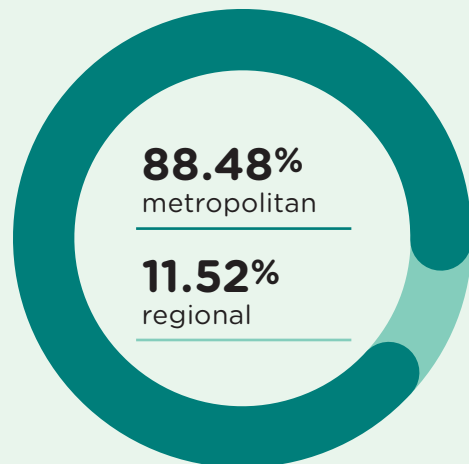


134,298

Website visits



Of Victorian website visits:



Submitted Quarterly Returns

17,761

Outstanding quarterly returns for existing and new employers submitted in 2023-24

Scheme Assets

\$546.6m

47.86% increase from 2022-23 - \$369.6m

Reimbursements paid to employers

\$10.4m

157.67% increase from 2022-23 - \$4.0m



Who Are We

Governance and Organisational Structure

Effective governance is pivotal for the Authority to fulfil its primary objectives for the benefit of all stakeholders.

Governing arrangements

The Authority follows necessary procedures and adheres to monitoring systems to ensure it performs all its duties and functions to the required standard and in accordance with its legal obligations.

Minister

Tim Pallas MP
Minister for Industrial Relations

Board

Julius Roe
Governing Board
Chair

Claire Filson
Governing Board
Deputy Chair

Board Members

Tim Piper AM
Governing Board
Member

Rachael Saunders
Governing Board
Member

Elisa Brophy (nee Dickenson)
Governing Board
Member

Julie Warren
Governing Board
Member

Emma King OAM*
Governing Board
Member

Lisa Darmanin**
Governing Board
Member

Joseph Yeung
Governing Board
Member/Registrar

Audit and Risk Committee Members

Claire Filson
Chair

Rachael Saunders
Member

Elisa Brophy
(April to June 2024)
Member

Lisa Darmanin
(until February 2024)
Member

Peter Wyatt
Independent Member

*Emma King OAM resigned from the Governing Board on 24 November 2023.

** Lisa Darmanin resigned from the Governing Board and the Audit and Risk Committee on 27 February 2024.

Our Board and Committees

The Authority is overseen by a Governing Board appointed by the Minister for Industrial Relations. This Board includes individuals with a range of expertise, qualifications, and experience, representing employers and workers in the three covered industries – community services, contract cleaning and security.

Board members adhere to the standards of the Code of Conduct for Directors of Victorian Public Entities and the *Public Administration Act 2004 (Vic)*.

As mandated by s38 of the *Long Service Benefits Portability Act 2018 (Vic)*, the Governing Board:

- Sets the levy to be paid by employers and contract workers
- Manages the Authority's governance, strategic planning, and risk management
- Advises the Minister on agreements for corresponding schemes across Australia
- Performs functions and exercises powers of the Authority as appropriate.

Our Governing Board



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 a member of the Police Registration and Services Board. 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 Indigenous Land and Sea Corporation.



Tim Piper AM
Member

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 several Ministerial Committees and government bodies. During the financial year he was also on the Board and a Director at Global Systems Institute.

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.

Our Governing Board (continued)



Rachael Saunders
Member

Rachael 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 Rachael has an extensive career within the security industry.

Rachael 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 a focus on operations, finance, human resources, sales and marketing.

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



Elisa Brophy
Member

During this financial year, Elisa Brophy (nee Dickenson) was Senior Industrial Officer of the Health and Community Services Union (Health Services Union, Vic No. 2 Branch) and had been at the union since 2015.

She led the industrial team at the union and represented 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.

Subsequent to the end of the 2023-24 financial year, Elisa resigned from the PLSA Governing Board.



Julie Warren
Member

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

Previously, Julie had worked for more than 20 years with the National Union of Workers and was president of the union's Victorian branch for 13 years. In that role, she led a number of significant changes in strategic direction for the union.

Additionally, Julie was also a past Senior Vice President of the Victorian Trades Hall Council and as a result has considerable experience and understanding of the issues and concerns that are faced by workers in the relevant covered industries of the Scheme.



Emma King OAM Member

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 as well as in a range of other 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.



Lisa Darmanin Member

During this financial reporting year, Lisa Darmanin was the Secretary of the Australian Services Union (Victorian and Tasmanian Authorities and Services Branch). The union 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.



Joseph Yeung Non Voting Member

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 joining the Victorian Government, Joseph was an Assistant Secretary in the Civil Justice and Corporate Services Division at the Commonwealth Attorney-General's Department in Canberra. A chartered accountant and lawyer, Joseph is a Graduate of the Australian Institute of Company Directors and 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.

Table 1: Director attendance at Governing Board meetings

Director	Eligible to attend	Attended
Julius Roe	6	6
Claire Filson	6	5
Tim Piper AM	6	5
Rachael Saunders	6	6
Elisa Brophy	6	5
Julie Warren	6	5
Joseph Yeung	6	6
Emma King OAM	2	1
Lisa Darmanin	3	2

Vale and Retiring Board Members



Vale – Senator Linda White

Victorian Senator Linda White sadly passed away on 29 February 2024 following a health battle.

Ms White was an inaugural member of the Authority’s Governing Board from 2019 before retiring from the Board on 5 April 2022. She was elected as a Victorian Senator to the Commonwealth Parliament for a term commencing on 1 July 2022.

The Authority acknowledges Senator White’s valuable contribution during the establishment of the Authority and all her insights during the Authority’s critical start-up phase.

Retiring Board Members

The Authority would like to acknowledge and thank Lisa Darmanin, Emma King OAM and Elisa Brophy for their contributions to the Authority’s Governing Board.

Emma King OAM resigned from the Board on 24 November 2023. Lisa Darmanin resigned from the Board and the Audit and Risk Committee on 27 February 2024.

Audit and Risk Committee

The Audit and Risk Committee (ARC), established by the Governing Board under the Standing Directions for the Minister for Finance (Vic) (2018) and the *Financial Management Act 1994 (Vic)*, provides individual assurance and advice on the Authority’s financial management, performance, compliance, and risk management.

Comprising four members, the Committee operates under a charter outlining its role and responsibilities in line with the Standing Directions and best practice corporate governance projects.

Audit and Risk Committee membership and roles

- Claire Filson, Deputy Governing Board Chair and ARC Chair
- Rachael Saunders, Governing Board Member, ARC Member
- Lisa Darmanin (until February 2024) Governing Board Member, ARC Member
- Elisa Brophy (April to June 2024) Governing Board Member, ARC Member
- Peter Wyatt, ARC Independent Member



Peter Wyatt
Independent Member
Audit Risk Committee

The ARC’s independent member, Peter Wyatt, was previously the Chief Financial Officer of Treasury Corporation Victoria (TCV) with 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.

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

Table 2: Attendance at ARC meetings

Director	Eligible to attend	Attended
Claire Filson	5	5
Rachaell Saunders	5	5
Elisa Brophy	1	0
Peter Wyatt	5	5
Lisa Darmanin	4	4

Conflicts of Interest

The Authority’s Conflict of Interest policies for the Governing Board and employees outlines obligations for managing conflicts of interest. These policies ensure a transparent and accountable process, aiding compliance with section 81 of the *Public Administration Act 2004 (Vic)* and section 45 of the *Long Service Benefits Portability Act 2018 (Vic)* regarding pecuniary interests.

Internal Audit

The Authority has appointed AFS Associates as its internal auditors to execute a comprehensive risk-based internal audit plan. Audits undertaken this year focused on information privacy, cyber risk management, stakeholder engagement and compliance with standing directions. All audit results and follow-up actions were reported to the ARC.

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 (Vic)* and associated regulations.

Occupational Health and Safety Committee

The Authority’s Occupational Health and Safety Committee, comprising management and health and safety representatives, meets every two months to discuss workplace health, safety, and wellbeing.

Legislation and Operating Environment

Legislative environment

Under the Act, the Authority manages the Scheme for covered employers and workers in Victoria’s community services, contract cleaning, and security industries.

Employers in these sectors must register themselves and their workers with the Authority via our online portal. Each quarter, registered employers must submit a return detailing worker information, including workers’ service with that employer, and pay a levy. This levy funds future long service payments for covered workers.

The Scheme allows workers to accrue long service leave and take it with them if they change employers but stay in the same industry. Registered workers can check their balances or update their details online through the worker portal. After at least seven years of service, workers can apply for their portable long service benefit, which varies slightly across the three sectors.



Organisational Structure



Finance and Claims



**Facilities and Information
Technology**



Operations



**Communications and
Engagement**



**Legal, Governance
and Secretariat**



People and Culture

Our Business Units

Overview

The Authority continues to expand its staffing profile to meet the demands of administering a growing Scheme.

Each of our business units – Finance and Claims, Operations, Legal, Governance and Secretariat, Facilities and Information Technology, Communications and Engagement and People and Culture – have worked together collaboratively throughout the 2023-24 financial year.

Finance and Claims

The Finance and Claims business unit is essential to our operations, with the Head of Finance holding specific responsibilities under the *Financial Management Act 1994 (Vic)*. In 2023-24, the business unit was expanded to include a new Claims team responsible for processing and paying future claims (and current reimbursements) from employers and workers.

Through performance monitoring, responsible budgeting and a robust investment strategy, the Finance and Claims business unit ensure the entitlements of registered workers are managed effectively, supporting the overall sustainability of the Scheme.



Operations

The Operations business unit is responsible for the administration of the Scheme. This includes the Authority's customer service contact centre, maintenance of the Authority's employer and worker registers and supporting quarterly returns submission, processing and compliance.

Compliance activity was also supported by other business units across the Authority.

Legal, Governance and Secretariat

The Legal, Governance and Secretariat business unit supports the Authority and Governing Board in adhering to its legal, governance and compliance obligations under the Act and the regulatory environment of a statutory authority.

The Secretariat supports the Governing Board and its subcommittees through coordination and facilitation of timely, professional agendas, packs, minutes for meetings to meet the obligations of the Authority.

Facilities and Information Technology

The Facilities and Information Technology (IT) business unit supports the Authority's operations by providing IT support, security, records management, and managing the external portal for employers and workers. The business unit oversees technology infrastructure, registration systems, and office leases, collaborating with other business units to enhance systems for efficiency and effectiveness.

The Project Management Office (PMO) team also sits within this business unit. The PMO is responsible for partnering with internal stakeholders to implement assigned strategic priorities.

Communications and Engagement

The Communications and Engagement business unit raises the Authority's profile through our website, advertising and email campaigns, social media, and public relations activities to ensure employers understand their obligations and empower workers.

People and Culture

The People and Culture business unit fosters a safe and welcoming work environment to support staff growth and development. It empowers employees to thrive, driving a positive culture and ensuring a robust performance management framework.



Workforce Data

The Authority's policies and practices align with the Victorian Commission's public sector employment standards, adhering to VPS values.

These policies ensure fair treatment, career opportunities and the early resolution of workplace issues. The Authority also offers guidance and training to employees on avoiding conflicts of interest, managing offers of gifts and addressing misconduct.

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 2024.

Table 3: Comparative workforce data

	Ongoing		Fixed Term and Casual		Total	
	Head count	FTE	Head count	FTE	Head count	FTE
Gender						
Male	13	13	6	6	19	19
Female	40	39	4	3.8	44	42.8
Self-described	0	0	1	1	1	1
Age						
Under 25	5	5	0	0	5	5
25-34	11	11	1	1	12	12
35-44	18	17.6	5	4.8	23	22.2
45-54	11	10.6	5	5	16	15.6
55-64	7	7	0	0	7	7
64+	1	1	0	0	1	1
Classification						
VPS2	17	16	0	0	17	16
VPS3	13	13	0	0	13	13
VPS4	12	12	4	4	16	16
VPS5	7	7	3	3	10	10
VPS6	4	4	1	0.8	5	4.8
STS	0	0	2	2	2	2
Executive	0	0	1	1	1	1

The following table discloses the annualised total salary for senior employees of the Authority, categorised by classification, with salary amounts 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	0	0	0	0
\$180,000 - \$239,999	0	0	2	2
\$240,000 - \$259,999	0	0	0	0
\$260,000 +	1	1	0	0

Delivering on Our Targets

The Authority's 2023-26 Corporate Plan sets out the Authority's short and medium-term priorities along with key target measures for success. These priorities focus the Authority on ensuring that:

- 1 Covered employers and workers are registered**
- 2 Service of workers is captured**
- 3 Outstanding levies are paid**
- 4 The Authority has a strong, intelligence-led and risk-based compliance and enforcement program**
- 5 The Authority is claims ready**

With key priorities directing the Authority's actions to June 2026, the specific areas of strategic focus for the Authority as approved by the Governing Board are:

Better identification of under registered workers and employers.

Strengthening our compliance and enforcement approaches.

Improving internal infrastructure to ensure better practices and procedures across the Scheme.

During the 2023-24 financial year, the Authority has successfully executed specific areas of strategic focus, operating in a fiscally responsible manner while maintaining strong governance frameworks. This is reflected in the results detailed below, with the Authority exceeding and remaining on-track for 11 of the 12 targets set out in our 2023-26 Corporate Plan.

2026

Performance Measures

Employers registered

4,300

Workers registered

400k

Implementation of integrated IT infrastructure to be claims ready in 2026-27

100%

Completed and ready for claims processing

Levies invoiced to the Authority within 60 days of the end of each reporting period

90%

Completed compliance investigations within 12-month period

80

Successful enforcement court action

2

(Target) Funding Ratio

110%

VPS People Matter Survey participation rate

85%

Engagement activities and publication of insights on covered sectors

4

per annum

Better identification of under registered workers and employers

Achievements towards Performance Measures	Unit of Measure	2026 Target	2023-24 Actual	On-track
Quantity				
Employers Registered	Number	4,300	3,412	☑
Workers Registered	Number	400,000	355,904	☑
Engagement Activities	Number	4 per year	2	☒

The Authority continues to support the Scheme's growth through outreach and engagement efforts. The Authority is implementing strategies to ensure we can directly communicate with workers particularly when they change employers. We utilise a range of data bases, collaborative arrangements with other agencies, and engagement with industry stakeholders to improve our capacity to identify likely areas of under-registration.

Notwithstanding a gradual shift in the Authority's regulatory strategy towards strengthening our compliance and enforcement approaches, the Authority recognises the continued need to engage with employers and workers directly. The Authority is continuing a large program of targeted work on educational activities, which during the current financial year, included a significant project centred around streamlining employer submission of quarterly returns by collaborating with employers following their feedback.

As one of Australia's largest portable long service benefits schemes, the Authority recognises its leadership role nationally and during the year initiated and hosted the first in-person conference of national portable long service leave authorities to discuss industry trends and operational insights since 2019.

Unfortunately, due to delays with the Authority's website enhancement project, the Authority was unable to complete its full target of publication insights for the 2023-24 financial year. This work has been prioritised for 2024-25 financial year with additional resources and assistance to ensure its success.



AusLeave Conference February 2024 Attendees: From left-to-right: Kim Eldridge – Portable Long Service Leave SA, Anthony Mackay – Portable Long Service Leave SA, Susan Barrera – MyLeave WA, Julius Roe - PLSA, Jenny Action - LeavePlus, Craig Bell - LeavePlus, Jason Buckley – MyLeave WA, Liesl Centenera – ACT Leave, Joseph Yeung - PLSA, Cassandra Webeck – ACT Leave, Michael Martin – NT Build, Jim Louris – NT Build

National Conference on Portable Long Service Leave hosted in Victoria

In February 2024, leaders from Australia’s nine state and territory-based Portable Long Service Leave Authorities gathered in Bendigo for the first in-person conference since 2019. The event was hosted at the Galkangu Bendigo GovHub building by Victoria’s Portable Long Service Authority.

Over two million workers across industries including construction, community services, contract cleaning and security benefit from these state-administered portable long service schemes.

The two-day conference offered a valuable platform for knowledge-sharing and discussions around challenges in administering and growing portable long service leave schemes.

Key themes included enhancing IT systems, strengthening compliance and enforcement, and ensuring the sustainability of long service leave schemes. Online sessions allowed senior staff from finance, legal, compliance and IT to collaborate in key issues, sparking new ideas and solutions.

Authorities participating in the conference represented all regions of Australia, reflecting the national commitment to portable long service leave across diverse industries.

- LeavePlus - Victoria’s construction industry
- Long Service Corporation NSW - New South Wales construction and contract cleaning industries
- ACT Leave - Australian Capital Territory’s construction, contract cleaning, community and security industries
- MyLeave WA - Western Australia’s construction industry
- Portable Long Service Leave - South Australia’s construction industry
- NTBuild - Northern Territory’s construction industry
- QLeave - Queensland’s construction, contract cleaning and community services industries
- TasBuild - Tasmania’s construction industry



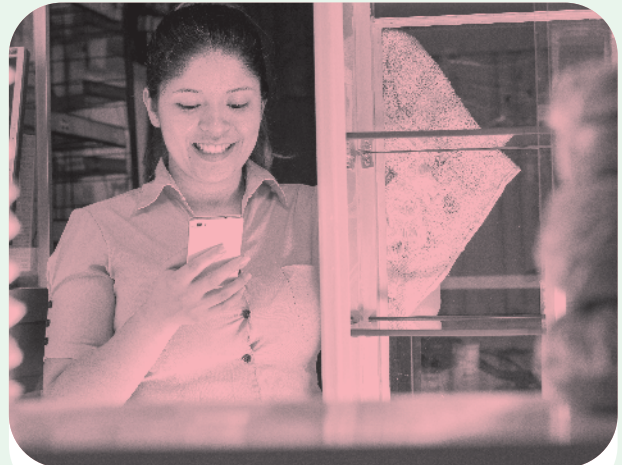
Improving Employer Collaboration: Payroll to Quarterly Return project

The Authority is committed to streamlining its processes for the benefit of both employers and workers.

A recent initiative in this effort is the 'Payroll to Quarterly Return' project, which simplifies employers submitting their quarterly returns.

The Authority sought feedback from employers to gain a better understanding of their experiences with the quarterly returns process. This feedback has been invaluable, revealing several opportunities to refine and improve processes.

The Authority is now using this feedback to review the submission of the quarterly returns process. These insights will help shape future enhancements to ensure a more efficient and smoother experience for all stakeholders.



Transition to digital project: SMS campaign to streamline communication with workers

The Authority has previously relied on written correspondence through direct email and newsletters to communicate with workers about the Scheme and their entitlements. This meant that if workers changed their employer or contact details, delays could result.

To increase engagement, the Authority launched a pilot project in May 2024 to send SMS messages encouraging workers to log into the worker portal to update their personal details and avoid delays in processing requests.

The campaign included posting information about the new initiative through digital and traditional communication channels. An additional advertising campaign targeting workers is planned in the coming 12 months to expand on these initial positive results.

Strengthening our compliance and enforcement approaches

Achievements towards Performance Measures	Unit of Measure	2026 Target	2023-24 Actual	On-track
Quantity				
Levies invoiced to the Authority within 60 Days	%	90%	84%*	☑
Compliance Investigations and Compliance Activity	Number	80 per year	80 +	☑
Successful Enforcement Court Actions	Number	2 +	-	In Progress**

* Based on the last quarter

**Progress is discussed below

As of the last quarter of the Authority's operations, the regulatory posture of the Authority focused on educating and supporting employers and workers.

Specifically, the Authority worked closely with employers to ensure that they understood the Scheme and their obligations as an employer. This approach has been successful, with the Authority exceeding its registration targets and most employers complying with their legal obligations.

However, some employers remain non-compliant with the Act. To address this, the Authority has continued to sharpen its focus in 2023-24 on evolving its compliance and enforcement activities to target the following four key areas of regulatory non-compliance:

1. Registering non-compliant employers;
2. Ensuring timely submission of quarterly returns;
3. Investigating inaccurate quarterly returns and under registration of workers and/or their recorded service; and
4. Ensuring prompt or complete payment of levies.

The Authority is on track to strengthen its effort in these areas to protect workers' rights and hold non-compliant employers accountable.

During the 2023-24 financial year, the Authority commenced a number of compliance investigations, including field work and other compliance activities. These activities were a combination of field investigations as well as strategically planned desktop investigations.

Specifically, during the financial year, the Authority:

- investigated over 300 tip-offs of unregistered employers;
- issued 45 letters of demand to employers who failed to pay invoices for levies resulting in the recovery of over \$300,000 in unpaid levies;
- undertook a range of other targeted compliance activities in relation to overdue quarterly returns; and
- published a refreshed regulatory approach on the Authority's website informing employers and the public of the Authority's evolution from an education-based and intelligence-led stronger compliance approach.

As the Authority's compliance and enforcement framework matures, the sophistication of current investigations will increase further. This will allow the Authority to more accurately define formal and informal compliance investigations and activities for reporting in future reporting years.

Finally, the Authority is on track to continue to reduce the number of days to issue invoices towards the 60 day target by 2026. Also, further refinement of the Authority's current policies for payment extensions and payment plans need to be undertaken in 2024-25. The Authority is aware of the impact arising from changes to these policies on smaller business operators who are more sensitive to changes in broader macro-economic conditions.



Refreshing our Regulatory Strategy

We refreshed our Regulatory Strategy following extensive planning and internal collaboration and consultation across the Authority's business units and staff, drawing on the learnings and insights over the Authority's five years in operation.

In June 2024, our Regulatory Strategy was published to ensure employers and the public understand the Authority's approach to its compliance and enforcement activities.

The strategy ensures decisions are risk-based, intelligence-led, and align with the Authority's Compliance and Enforcement Policy and Corporate Plan 2023-26. It focuses on four key areas:

1. Registering non-compliant employers;
2. Ensuring timely submission of quarterly returns;
3. Investigating inaccurate quarterly returns and under registration of workers and/or their recorded service; and
4. Ensuring prompt or complete payment of levies.



Strengthening Compliance Action

Registered employers are required to pay levies for their workers promptly each quarter. Successful recovery of these levies is vital to the long-term sustainability of the Scheme for workers in the three covered sectors.

As part of growing the Authority's civil enforcement process, the Authority has strengthened its compliance steps to recover unpaid levies from employers. This graduated approach has included the Authority issuing 45 employers with letters of demand for payment.

One employer with longstanding arrears in excess of \$24,000 had failed to make payment or engage with the Authority's calls and was issued a letter of demand. As a result, this employer made payment in full and has continued to remain fully compliant with its obligations.

At the same time and in the face of the cost-of-living crisis, the Authority is conscious of balancing the recovery of unpaid levies with supporting struggling small businesses. Rising inflation, energy costs and wage challenges have put significant pressure on small businesses, making it difficult for some to meet their legal obligations.

One small business employer in the cleaning sector who was issued a letter of demand advised the Authority that they had difficulty in making the large payment. The Authority engaged with the employer and supported them to enter into a payment arrangement. This enabled the employer to comply with their obligations, whilst reducing the financial burden associated with large arrears.

Improving internal infrastructure to ensure better practices and procedures across the Scheme

Achievements towards Performance Measure	Unit of Measure	2026 Target	2023-24 Actual	On-track
Quantity				
Target Funding Ratio	%	110%	108%	☑
Portable Long Service Benefits Claims Readiness	%	Ready	On-Track	In Progress
VPS People Matter Survey Participation Rate	%	85%	94%	☑

The growth in the Scheme has also seen a continued increase in the demands on the Authority's workforce. During the 2023-24 financial year, there were 20,663 total calls through the Customer Services contact centre (split between 7,560 inbound calls and 13,103 outbound calls) with an average wait time to answer calls of 42 seconds.

The Authority processed and collected invoices totalling over \$165 million during the 2023-24 financial year, a 32% growth on the previous financial year predominately due to increased number of registered employers and workers. Total collections have been invested in accordance with the Authority's investment strategy as set out by the Governing Board. This ensures that entitlements of registered workers are managed prudently while the sustainability of the Scheme has also been reviewed by the Authority's appointed independent actuary in the current year. This review has also resulted in the recommendation to the Governing Board to maintain the current levy rate settings.

In relation to investment performance of collected funds, the Authority has continued to exceed its investment return objective of CPI + 3.0% p.a. with a return of 9.4% for the 2023-24 financial year. This has increased the funding ratio (for all 3 schemes in total) to 107.8%, which remains on-track to surpass the target of 110% by 2026.

To achieve the Authority's objectives, investment in the Authority's staff was also identified as a key priority across the next three years noting that our staff are integral to the successful implementation of the above outlined strategic priorities.

With a majority of staff based in regional Victoria within the Victorian Government's newly built Galkangu Bendigo GovHub premises, areas of key focus for the Authority's leadership include:-

- the need for dedicated investment in time and focus on work place culture (especially in a hybrid working environment)

- ensuring clarity of role alignment to organisational objectives
- educating staff on the values and expectations of the VPS
- empowering staff to be accountable in their roles.

As a result of this work, the Authority is pleased to report that it was able to exceed the VPS People Matter Survey target participation rate for the 2023-24 financial year of 85% by recording a participation rate of 94%. Positive improvements were recorded across the board, including 92% of our staff understanding their personal contribution towards achieving our organisational goals and getting a sense of accomplishment through their work. Consistent with other VPS entities, the results of the Authority People Matter Survey are available publicly through the Victorian Public Sector Commission's information databases.

Finally, work continues to progress within the Authority in readiness for the first portable long service benefit payments for workers should they wish to take the benefit from the first day of eligibility. This includes not just efficient processes and strong controls but also a skilled workforce with an acute awareness of cybersecurity risks in the digital age.

With management of over \$500 million in financial assets, the need to protect digital systems, networks and data from unauthorised access and hostile assaults is central to the work being done by the Authority to prepare for claims readiness. While this remains on-track, the Authority is ever vigilant of the dynamic changes and quick shift in risk profiles of the cybersecurity landscape.



Implementing Multi-Factor Authentication (MFA) for Enhanced Security

In late 2023, the Authority took decisive steps to enhance the security of its digital platform. The Authority worked with the technology provider Formation CRM to develop Multi-Factor Authentication (MFA) for both the Employer and Worker Portals. The goal was to provide a more robust layer of protection against unauthorised access and safeguard sensitive information across the platform.

Phase 1: MFA Rollout for Employer Portal

In October 2023, the first phase of the MFA implementation focused on employers registered with the Authority. As part of the new security initiative, employers received emails outlining the steps to authenticate their accounts when accessing the portal. This helps minimise the risk of unauthorised access to sensitive data.

Phase 2: Extending MFA to Worker Portal

The Authority has developed and will extend MFA to be mandatory for the Worker Portal in 2024. The Authority, through the worker SMS campaign and employers maintaining mobile contact details.

For workers, the two-step verification process will verify their identity beyond just a simple password process. This method of 'double-checking' will reduce the risk of data breaches by confirming the authenticity of the person attempting to access the account.



Supporting career growth in Regional Victoria

Leon Harper's journey with the Authority exemplifies the opportunities available in regional Victoria for staff in the VPS. Originally recruited as a Lawyer while working in Melbourne, Leon is now Senior Lawyer within the Authority's legal team based in Bendigo.

Initially splitting his time between the Melbourne and Bendigo offices, Leon developed an affinity with the Bendigo area. Recently, he made the decision to relocate his family to Bendigo, drawn by the lifestyle, flexibility and the ease of commuting.

The Authority's commitment to creating specialist opportunities in regional Victoria has been a key factor in Leon's career growth. As an employer, the Authority is eager to promote professional development and career progression, especially in regional areas in need of talent and specialist skills.

Leon now enjoys working in the Galkangu Bendigo GovHub's state-of-the-art facilities, which foster collaboration across departments and provide the resources for individual and team success.

Financial Performance

Five-year financial summary

The Authority commenced operations on 18 March 2019. Five full years of comparative financial information is shown below.

Authority five-year financial summary					(\$'000)
Summary	2023-24	2022-23	2021-22	2020-21	2019-20
Total income from transactions	203,363	146,853	98,166	101,833	61,883
Total expenses from transactions	176,723	129,384	101,023	95,643	53,146
Net result for the period	26,640	17,469	(2,857)	6,190	8,737
Net cash flow from operating activities	145,867	115,390	95,420	75,929	40,387
Total assets	565,553	382,806	244,106	154,187	59,204
Total liabilities	507,855	351,748	230,517	137,741	48,948
Net assets	57,698	31,058	13,589	16,446	10,256

Current year financial summary

The Authority administers three schemes that 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 sectors and industries in accordance with the *Long Service Benefits Portability Act 2018 (Vic)* and the *Long Service Benefits Portability Regulations 2020 (Vic)* and makes payments for benefits taken.

In the 2023-24 financial year, the Authority's net result was \$26.6 million compared to \$17.5 million in 2022-23. The major performance drivers in the current year's net result were levy contributions of \$165.8 million from employers (2022-23: \$125.1 million) and total returns from investments held by the Authority of \$36.4 million (2022-23: \$21.0 million), offset by an increase in the portable long service benefits liability of \$166.1 million (2022-23: \$120.8 million). The increase in the portable long service benefits liability is consistent with the growth of the Scheme and reflects the increased expectation as measured by the Authority's appointed Scheme Actuary that more workers will now be eligible for future portable long service leave entitlements.

Levy contributions from employers and contractors are based on levy rates set by the Governing Board and this was the largest source of income from transactions. Levy contributions increased by \$40.7 million in the current financial year due to increase in registered workers. There are now over 350,000 workers registered in schemes across the three covered sectors and industries.

During the financial year, the Authority transferred \$143.8 million to the VFMC Balanced Fund, Victorian Funds Management Corporation (VFMC) increasing total investments held with VFMC to \$473.9 million.

The portable long service benefit expense for 2023-24 is \$166.1 million, representing an increase in the benefits liability for workers of \$45.4 million (\$120.8 million 2022-23).

Administration costs totalled \$10.5 million with \$6.8 million relating to employee benefits expense of the Authority and its regulatory operations and \$3.7 million for information technology costs, office expenses, professional services, promotion costs along with internal and external audit fees.

Financial position balance sheet

The Authority's net asset position at 30 June 2024 was \$57.7 million and the funding ratio of all 3 portable long service leave schemes was 107.8%.

Cash at bank totalled \$29.2 million, which includes mainly Scheme funds collected and not transferred to VFMC investments as at 30 June 2024.

The Authority increased its investments with the VFMC to \$473.9 million and accrued \$22.0 million representing an investment distribution due from the VFMC that was paid in July 2024.

Operating cash flows

Net cash flow from operating activities was positive for the year totalling \$145.9 million, which included \$162.7 million of receipts from employers for their worker levy contributions.

The Authority transferred \$143.8 million to the VFMC Balanced Fund and received \$10.2 million of investment distributions during the financial 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 2024 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.

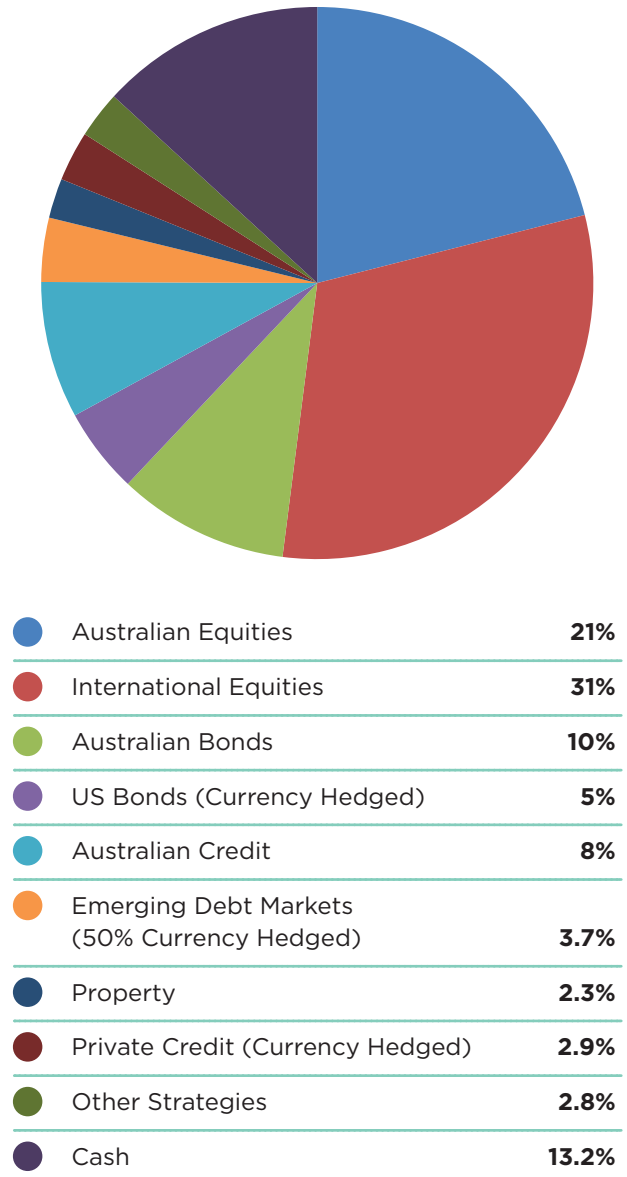
The Authority exceeded its investment return objective of CPI + 3.0% p.a. with a return of 9.37% for the 2023-24 financial year.

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 2023 - 30 June 2024, the Authority recorded a gain on fair value of investments of \$9.4 million against total Scheme funds of \$473.9 million at 30 June 2024. The Authority received \$10.2 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.

Other Disclosures

Local jobs first

The *Local Jobs First Act 2003 (Vic)*, amended 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 2023-24 reporting period.

Government advertising expenditure

In 2023-24 there were no government advertising campaigns of \$100,000 or greater (exclusive of GST).

Consultancy expenditure

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

In 2023-24, there were four consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2023-24 in relation to these consultancies is \$0.13 million (excluding GST). Details of individual consultancies are outlined below.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excl. GST) \$'000	Expenditure 2023-24 (excl. GST) \$'000	Future Expenditure (excl. GST) \$'000
Deloitte Consulting Pty Ltd	Advisory Services	18 May 2024	31 Jul 2024	\$55	\$6	\$49
Emma Savage Consulting	Advisory Services	11 Jan 2023	30 Jun 2024	\$25	\$11	\$3
Inform Strategic Consulting	Advisory Services	03 Nov 2023	30 Jun 2024	\$25	\$25	\$ -
Brooke Institute Pty Ltd	Advisory Services	24 Apr 2024	30 Sep 2024	\$256	\$87	\$169

Details of consultancies under \$10,000

In 2023-24 there was no consultancy engaged during the year, where the total fees payable to the individual consultancy was less than \$10,000 (exclusive of GST).

Review and studies expenditure

Details of reviews and studies

During 2023-24 one review was undertaken with the total cost of \$0.23 million. Details of the review is outlined below.

Name of the review	Reasons for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost for the year (excl. GST) \$'000	Final cost if completed (excl. GST) \$'000	Publicly available (Y/N) and URL \$'000
Actuarial 3 Year Levy Review	To determine if the levy rate is still appropriate	Valuation of Accrued Portable Long Service Benefits and Levy Calculation	No change to the levy rate	226	226	No

Information and communication technology expenditure

For the 2023-24 reporting period, the Authority had a total information and communication technology (ICT) expenditure of \$1.06 million, with details shown below.

All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
<i>Business as Usual (BAU) ICT expenditure</i> \$'000	<i>Non-Business as Usual (non-BAU) ICT expenditure</i> \$'000	<i>Operational expenditure</i> \$'000	<i>Capital expenditure</i> \$'000
(Total)	(Total = Operational expenditure and capital expenditure)		
1,057	-	1,057	-

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 2023-24.

Freedom of Information

The *Freedom of Information Act 1982 (Vic)* (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 2023-24 financial year, the Authority received no Freedom of Information requests.

During the 2023-24 financial year, no requests were subject to a complaint/internal review by Office of the Victorian Information Commissioner or were progressed to the Victorian Civil and Administrative Tribunal.

Making a request

Access to documents can be made by a written request to the Authority's Freedom of Information Officer as detailed in section 17 of the FOI Act. The 2023-24 application fee was \$31.80.

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 or by mail to:

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

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/.

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 National Competitive Policy (NCP) including compliance with the requirements of the Neutrality Policy Victoria or any subsequent reforms.

Public Interest Disclosures

The *Public Interest Disclosures Act 2012 (Vic)* (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 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
www.ibac.vic.gov.au**

Disclosures under the *Public Interest Disclosures Act 2012 (Vic)*

	2023-24 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 (Vic)*

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

Compliance with the *Disability Act 2006 (Vic)*

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.

Procurement complaints

Under the Governance Policy of the Victorian Government Purchasing Board, the Authority must disclose any formal complaints relating to the procurement of goods and services received through its procurement complaints management system.

The Authority received no formal complaints through its procurement complaints management system in 2023-24.

Transportation

The Authority's fleet is comprised of 2 passenger vehicles. These vehicles are essential to the operation of the Authority, for example, travel relating to the Authority's compliance and enforcement activities.

Sustainable buildings and infrastructure

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 Victoria's largest timber frame office. Its environmentally sustainable design contains efficient indoor air quality systems, solar panels, water and energy monitoring systems.

The Victorian Government's Digital First principles are applied with staff encouraged to avoid printing where possible. Senior staff members have been provided with portable devices to assist with this initiative. In addition, the Authority utilises "Follow Me" printing which enables usage reporting, application of print policies organisation-wide and mobile printing solutions to reduce waste, saving on average 30% of wasted print jobs sent in error.

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. Meetings are also conducted via video conferencing where possible to reduce unnecessary or excessive travel.

The Authority has phased out single-use plastics in its offices. This is in line with the Authority's recognition of the importance of reducing our environmental footprint.

Agency Specific Legislative Disclosures

Subsequent events

There are no post balance date events that materially affect the Authority's 2023-24 financial statements.

Additional information

The Authority's published reports and documents are available online at 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.

What's next?

As we turn our attention to next year, our focus will also shift to include additional milestones and priorities:



Awareness and education campaigns including worker engagement



Strategic and risk-based compliance and enforcement activity




Continue to refine better practice systems and processes

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 to the applicable Standing Directions under the *Financial Management Act 1994 (Vic)* and Instructions.



Julius Roe
Chair, Governing Board
Portable Long Service Benefits Authority

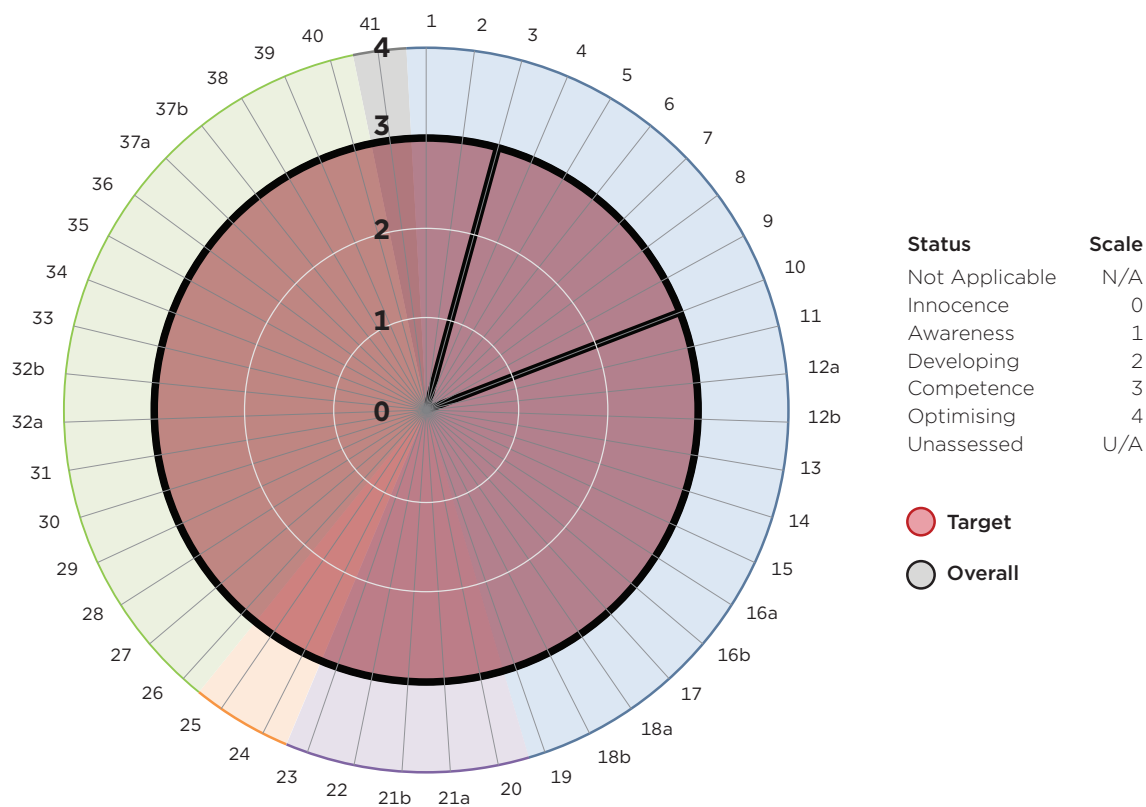
Asset Management Accountability Framework maturity assessment

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 website (dtf.vic.gov.au).

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



- **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 this 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.



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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 2024, the net gain of the Authority was \$26.6 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.

For the year ending 30 June 2024, the Authority had net assets of \$57.7 million.

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 2024, the Authority had net cash flow from operating activities of \$145.9 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 2023-24. The Report from the Independent Auditor provides an independent view and outlines any issues of concern.

STATUTORY CERTIFICATION

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 (Vic)*, 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 2024 and the financial position of the Authority as at 30 June 2024.

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 03 September 2024.



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

VAGO INDEPENDENT AUDITOR'S REPORT

OFFICIAL



Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of the Portable Long Service Benefits Authority

Opinion	<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">• balance sheet as at 30 June 2024• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including material accounting policy information• statutory certification. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2024 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>
Basis for opinion	<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 APES 110 <i>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>
The Board's responsibilities for the financial report	<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>

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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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, 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
20 September 2024

Janaka Kumara
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT

For The Financial Year Ended 30 June 2024

	Notes	2024 (\$'000)	2023 (\$'000)
Income from transactions			
Contributions from employers and contractors	2.2.1	165,846	125,108
Investment distribution	2.2.2	27,049	6,767
Interest		1,071	780
Net gain on fair value of investments	4.2.1	9,397	14,198
Total income from transactions		203,363	146,853
Expenses from transactions			
Employee benefits expense	3.3.1	(6,838)	(6,055)
Portable long service benefits expense	3.4.1	(166,122)	(120,762)
Administration expense	3.2	(3,725)	(2,530)
Interest expense	6.2.2	(2)	(1)
Depreciation	4.1.2	(36)	(36)
Total expenses from transactions		(176,723)	(129,384)
Net result from transactions (net operating balance)		26,640	17,469
Net result		26,640	17,469
Comprehensive result		26,640	17,469

The accompanying notes form part of these financial statements.

BALANCE SHEET

As at 30 June 2024

	Notes	2024 (\$'000)	2023 (\$'000)
ASSETS			
Current assets			
Cash and deposits	6.3	29,220	16,968
Receivables	5.1	62,095	45,006
Investments and other financial assets	4.2	62,560	42,012
Prepayments		148	24
Total current assets		154,023	104,010
Non-current assets			
Property, plant and equipment	4.1	151	110
Investments and other financial assets	4.2	411,379	278,686
Total non-current assets		411,530	278,796
TOTAL ASSETS		565,553	382,806
LIABILITIES			
Current liabilities			
Payables	5.2	914	479
Employee benefits	3.3.2	667	876
Accrued portable long service benefits	3.4.2	31,652	53,477
Borrowings	6.1	66	15
Total current liabilities		33,299	54,847
Non-current liabilities			
Employee benefits	3.3.2	212	139
Accrued portable long service benefits	3.4.2	474,259	296,686
Borrowings	6.1	85	76
Total non-current liabilities		474,556	296,901
TOTAL LIABILITIES		507,855	351,748
NET ASSETS		57,698	31,058
EQUITY			
Reserves	6.5	6,818	6,818
Accumulated surplus		50,880	24,240
NET WORTH		57,698	31,058

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

For The Financial Year Ended 30 June 2024

	Notes	2024 (\$'000)	2023 (\$'000)
Cash Flows from Operating Activities			
Receipts			
Receipts from Victorian Government for Community Health Centres		3,419	-
Receipts from employers and contractors		162,695	127,234
Goods and services tax (paid)/received from Australian Tax Office		1	(11)
Total receipts		166,115	127,223
Payments			
Payments to suppliers and employees		(9,874)	(7,807)
Payments to scheme employers and workers		(10,374)	(4,026)
Total payments		(20,248)	(11,833)
Net cash flows from operating activities	6.3.1	145,867	115,390
Cash Flows from Investing Activities			
Payments for investments		(143,843)	(136,937)
Investment distributions received		10,235	11,339
Proceeds from sale of property, plant and equipment		10	1
Payments for property, plant and equipment		-	(17)
Net cash flows used in investing activities		(133,598)	(125,614)
Cash Flows from Financing Activities			
Repayment of finance lease liabilities	6.2.3	(17)	(20)
Net cash flows used in financing activities		(17)	(20)
Net increase / (decrease) in cash and cash equivalents		12,252	(10,244)
Cash and cash equivalents at the beginning of the financial year		16,968	27,212
Cash and cash equivalents at end of financial year	6.3	29,220	16,968

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2024

	Reserves (\$'000)	Accumulated surplus (\$'000)	Total (\$'000)
Balance at 30 June 2022	6,818	6,771	13,589
Net result for the year	-	17,469	17,469
Balance at 30 June 2023	6,818	24,240	31,058
Net result for the year	-	26,640	26,640
Balance at 30 June 2024	6,818	50,880	57,698

The accompanying notes form part of these financial statements.

Notes to the financial statements

For The Financial Year Ended 30 June 2024

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 (Vic)*. 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

1.2 Compliance information

1.1 Basis of preparation

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.

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 an ongoing 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 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 03 September 2024. The Authority's reporting period is from 1 July 2023 to 30 June 2024. The reporting period for last year was from 1 July 2022 to 30 June 2023.

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.

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);
- Portable long service benefits expense (Note 3.4);
- Accrued employer levy contributions (Note 5.1);
- Payables (Note 5.2); and
- Contingent assets and contingent liabilities (Note 7.2).

1.2 Compliance information

This financial report of 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.

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 Investment distribution

2.1 Summary of income that funds the delivery of our services

	Notes	2024 (\$'000)	2023 (\$'000)
Contributions from employers and contractors	2.2.1	165,846	125,108
Investment distribution	2.2.2	27,049	6,767
		192,895	131,875

2.2 Income from transactions

2.2.1 Contributions from employers and contractors

	2024 (\$'000)	2023 (\$'000)
Community Services Industry	136,146	101,904
Contract Cleaning Industry	16,879	13,134
Security Industry	12,821	10,070
	165,846	125,108

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 Industry 1.65%
- Contract Cleaning Industry 1.80%
- Security Industry 1.80%

2.2.2 Investment distribution

	2024 (\$'000)	2023 (\$'000)
Community Services Industry	20,972	5,144
Contract Cleaning Industry	3,270	863
Security Industry	2,807	760
	27,049	6,767

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

Gains/losses arising from changes in the fair value of investments is disclosed in Note 4.2.1.

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	2024 (\$'000)	2023 (\$'000)
Employee benefits expense	3.3.1	6,838	6,055
Portable long service benefits expense	3.4.1	166,122	120,762
Administration expense	3.2	3,725	2,530
		176,685	129,347

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

3.2 Administration expenses

	2024 (\$'000)	2023 (\$'000)
Office expenses	1,994	1,437
Information technology costs	693	764
Professional services	951	243
Internal and external audit fees	87	86
	3,725	2,530

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.

3.3 Employee benefits expense

3.3.1 Employee benefits in the comprehensive operating statement

Employee benefits expense includes 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.

	2024 (\$'000)	2023 (\$'000)
Salaries and wages	5,872	5,004
Annual leave	391	369
Superannuation	632	516
Long service leave	(57)	166
	6,838	6,055

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

3.3 Employee benefits expense (continued)

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.

	2024 (\$'000)	2023 (\$'000)
Current provisions:		
Annual leave:		
Unconditional and expected to settle within 12 months	322	293
Unconditional and expected to settle after 12 months	100	138
Long service leave:		
Unconditional and expected to settle within 12 months	24	56
Unconditional and expected to settle after 12 months	121	262
Provisions for on-costs:		
Unconditional and expected to settle within 12 months	61	59
Unconditional and expected to settle after 12 months	39	68
Total current provisions for employee benefits	667	876
Non-current provisions:		
Employee benefits	180	119
On-costs	32	20
Total non-current provisions for employee benefits	212	139
Total provisions for employee benefits	879	1,015

Salaries and wages, annual leave and personal 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 personal leave as all personal leave is non-vesting and it is not considered probable that the average personal leave taken in the future will be greater than the benefits accrued in the future. As personal 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.

	2024 (\$'000)	2023 (\$'000)
Community Services Industry	142,316	99,832
Contract Cleaning Industry	11,607	9,360
Security Industry	12,199	11,570
	166,122	120,762

3.4 Portable long service benefits expense (continued)

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* (AASB 137) 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 eligible 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.

	2024 (\$'000)	2023 (\$'000)
<i>Accrued portable long service benefit liability:</i>		
Unconditional and expected to settle within 12 months	31,652	53,477
Unconditional and expected to settle after 12 months	474,259	296,686
Total accrued portable long service benefit liability	505,911	350,163

Reconciliation of the provision for accrued long service benefits

2023-2024	Community Services (\$'000)	Contract Cleaning (\$'000)	Security (\$'000)	Total (\$'000)
Opening balance - 1 July	275,840	37,153	37,170	350,163
Provisions recognised	142,316	11,607	12,199	166,122
Long Service Leave Benefit Claims	(8,457)	(890)	(1,027)	(10,374)
Closing balance - 30 June	409,699	47,870	48,342	505,911

2022-2023	Community Services (\$'000)	Contract Cleaning (\$'000)	Security (\$'000)	Total (\$'000)
Opening balance - 1 July	176,008	27,793	25,600	229,401
Provisions recognised	103,391	9,641	11,756	124,788
Long Service Leave Benefit Claims	(3,559)	(281)	(186)	(4,026)
Closing balance - 30 June	275,840	37,153	37,170	350,163

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 Act 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 June 2024.

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.

3.4 Portable long service benefits expense (continued)

Accrued portable long service benefit liability

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

Per annum:	Community Services Industry	Contract Cleaning Industry	Security Industry
Industry Exit Rates	210 per 1000 (age 20) to 0 per 1000 (age 55+)	350 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	150 per 1000 (age 55) to 250 per 1000 (age 75)	150 per 1000 (age 55) to 250 per 1000 (age 75)	80 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	3.5% p.a.	3.5% p.a.	3.5% p.a.
Promotional Salary Inflation Rate	9% (1 YoS) to 0% (10+YoS)	1.5% (1-9 YoS) to 0% (10+YoS)	24% (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 Industry		Contract Cleaning Industry		Security Industry	
	2024	2023	2024	2023	2024	2023
Total	227,514	190,434	87,928	72,171	30,868	27,972

Expected timing of settlement	Community Services Industry		Contract Cleaning Industry		Security Industry	
	2024 (\$'000)	2023 (\$'000)	2024 (\$'000)	2023 (\$'000)	2024 (\$'000)	2023 (\$'000)
Not later than one year	23,805	42,854	3,477	5,596	4,370	5,027
Later than one year and not later than five years	256,738	132,247	34,476	21,664	32,784	21,734
Later than five years	129,156	100,739	9,917	9,893	11,188	10,409
Total	409,699	275,840	47,870	37,153	48,342	37,170

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 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 3.5% 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 Victorian Funds Management Corporation.

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
 - 4.1.1 Total right-of-use assets: Vehicles
 - 4.1.2 Depreciation
- 4.2** Investments and other financial assets
 - 4.2.1 Amounts recognised in profit and loss

4.1 Total property, plant and equipment

	2024 (\$'000)	2023 (\$'000)
Property, plant and equipment and vehicles at fair value	197	857
Less accumulated depreciation	(46)	(747)
Net carrying amount	151	110

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

	2024 (\$'000)	2023 (\$'000)
Vehicles at fair value	184	107
Less accumulated depreciation	(33)	(17)
Net carrying amount	151	90
Opening balance - 1 July	90	68
Additions	78	35
Disposals	-	-
Depreciation	(17)	(13)
Closing balance - 30 June	151	90

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 (2022-23: \$2,500) 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 Total property, plant and equipment (continued)

4.1.2 Depreciation

	2024 (\$'000)	2023 (\$'000)
Charge for the period		
Buildings	-	-
Plant, equipment and vehicles	36	36
Total depreciation	36	36

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:

	2023-24 Useful Life	2022-23 Useful Life
Asset		
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.

4.2 Investments and other financial assets

2023-2024	Community Services Industry (\$'000)	Contract Cleaning (\$'000)	Security (\$'000)	Total (\$'000)
Current investments and other financial assets				
Term deposits:				
Australian dollar term deposits	48,594	7,529	6,437	62,560
Total current investment and other financial assets	48,594	7,529	6,437	62,560
Non-current investments and other financial assets				
Equities and managed investment schemes:				
Australian Equities	77,309	11,979	10,239	99,527
International Equities (not currency hedged)	114,122	17,683	15,116	146,921
Australian Bonds	36,814	5,704	4,876	47,394
US Bonds (currency hedged)	18,407	2,852	2,438	23,697
Australian Credit	29,451	4,563	3,901	37,915
Emerging Debt Markets (50% Currency Hedged)	13,989	2,168	1,853	18,010
Property	8,467	1,312	1,122	10,901
Private Credit (Currency Hedged)	10,676	1,654	1,414	13,744
Other Strategies	10,308	1,597	1,365	13,270
Total non-current investment and other financial assets	319,543	49,512	42,324	411,379
Total investments and other financial assets	368,137	57,041	48,761	473,939

4.2 Investments and other financial assets (continued)

2022-2023	Community Services Industry (\$'000)	Contract Cleaning (\$'000)	Security (\$'000)	Total (\$'000)
Current investments and other financial assets				
Term deposits:				
Australian dollar term deposits	32,079	5,309	4,624	42,012
Total current investment and other financial assets	32,079	5,309	4,624	42,012
Non-current investments and other financial assets				
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
Total non-current investment and other financial assets	212,796	35,220	30,670	278,686
Total investments and other financial assets	244,875	40,529	35,294	320,698

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:

2023-2024	Community Services (\$'000)	Contract Cleaning (\$'000)	Security (\$'000)	Total (\$'000)
Change in fair value of investments	7,104	1,208	1,085	9,397
Total change in fair value of investments	7,104	1,208	1,085	9,397

2022-2023	Community Services (\$'000)	Contract Cleaning (\$'000)	Security (\$'000)	Total (\$'000)
Change in fair value of investments	10,626	1,868	1,704	14,198
Total change in fair value of investments	10,626	1,868	1,704	14,198

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.

	2024 (\$'000)	2023 (\$'000)
Current receivables		
<i>Contractual:</i>		
Accrued investment income	21,978	4,093
<i>Statutory:</i>		
Accrued employer levy contributions	34,625	34,989
Employer levy receivables	6,881	6,800
GST receivables	29	29
Allowance for impairment losses of statutory receivables	(1,418)	(905)
Total receivables	62,095	45,006

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 Victorian Funds Management Corporation as at 30 June 2024 but received in July 2024.

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 *Financial Instruments* (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 2024 quarterly return due 31 July 2024.

Employer levy receivables is the outstanding employer contribution invoices as at 30 June 2024.

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. The Authority applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The Authority has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the Authority's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, as at 30 June 2024, impaired receivables were as follows:

	2024 (\$'000)	2023 (\$'000)
Opening balance - 1 July	905	574
Expected credit loss	529	331
Receivables written off during the year as uncollectable	(16)	-
Closing balance - 30 June	1,418	905

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 Receivables (continued)

5.1.2 Ageing analysis of contractual receivables

The ageing at 30 June 2024 includes accrued investment income. Statutory receivables and provision for impaired receivables are excluded.

	Not past due & not impaired	Past due but not impaired				
		Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	5+ years
2023- 2024						
Accrued investment income	21,978	-	-	-	-	-
Total receivables	21,978	-	-	-	-	-
2022- 2023						
Accrued investment income	4,093	-	-	-	-	-
Total receivables	4,093	-	-	-	-	-

Not past due and not impaired receivables relate to investment distributions from Victorian Funds Management Corporation which were subsequently received in July 2024.

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.

5.2 Payables

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

	2024 (\$'000)	2023 (\$'000)
Current payables		
<i>Contractual:</i>		
Trade payables	101	50
Accrued expenses	813	429
Total payables	914	479

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.

Payables consists of:

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.

5.1.2 Ageing analysis of contractual receivables

	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
2023- 2024							
Trade payables	101	101	101	-	-	-	-
Accrued expenses	813	813	813	-	-	-	-
Total receivables	914	914	914	-	-	-	-
2022- 2023							
Trade payables	50	50	50	-	-	-	-
Accrued expenses	429	429	429	-	-	-	-
Total receivables	479	479	479	-	-	-	-

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

	2024 (\$'000)	2023 (\$'000)
Current borrowings		
Lease liabilities	66	15
Total current borrowings	66	15
Non-current borrowings		
Lease liabilities	85	76
Total non-current borrowings	85	76
Total borrowings	151	91

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.

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:

	2024 (\$'000)	2023 (\$'000)
Interest expense on lease liabilities	2	1
Total amount recognised in the Comprehensive Operating Statement	2	1

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 2024 relating to leases:

	2024 (\$'000)	2023 (\$'000)
Total cash outflow for leases	17	20

6.2 Leases (continued)

6.2.3 Amounts recognised in the Cash Flow Statement (continued)

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.

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-to-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 and 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

	2024 (\$'000)	2023 (\$'000)
Cash and deposits		
Total cash and deposits disclosed in the balance sheet - Authority	18,649	12,997
Total cash and deposits disclosed in the balance sheet - Schemes	10,571	3,971
Balance as per cash flow statement	29,220	16,968

6.3.1 Reconciliation of net result for the period to cash flow from operating activities

	2024 (\$'000)	2023 (\$'000)
Net result for the period	26,640	17,469
Non-cash movements		
Depreciation	36	36
Fair value (increase)/decrease in other financial assets	(9,397)	(14,198)
Net (gain)/loss on distribution income	(27,049)	(6,767)
Movements included in investing and financing activities	(1,080)	(779)
	(10,850)	(4,239)
Movements in assets and liabilities		
Decrease/(increase) in receivables	798	(1,580)
Decrease/(increase) in prepayments	(126)	2
(Decrease)/increase in payables	372	307
(Decrease)/increase in employee benefits	(74)	138
(Decrease)/increase in accrued portable long service benefits	155,747	120,762
Net cash flows from/(used in) operating activities	145,867	115,390

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

6.4 Commitments for expenditure

6.4.1 Operating commitments

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 2024 totalled \$0.166 million (\$0.520 million in 2022-23). This amount is represented by one contract for the provision of licensed software, maintenance, support and cloud hosting managed services for a period of four months from 1 July 2024. Operating expenditure commitments under this contract are due and payable as follows:

	2024 (\$'000)	2023 (\$'000)
<i>Operating expenditure commitments</i>		
Not later than one year	166	520
Later than one year and not later than five years	-	-
Total operating expenditure commitments	166	520
Less GST recoverable	(15)	(47)
Total operating expenditure commitments (excluding GST)	151	473

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 5 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 is reviewed annually at year end.

	2024 (\$'000)	2023 (\$'000)
Opening balance - 1 July	6,818	6,818
Transfer from/(to) accumulated surplus	-	-
Closing balance - 30 June	6,818	6,818

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
- 7.3** Fair value determination

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 2023-24 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*.

7.1 Financial instruments specific disclosures (continued)

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.

7.1.3 Financial instruments: categorisation

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

	Financial assets at fair value through net result (\$'000)	Financial assets at amortised cost (\$'000)	Financial liabilities at amortised cost (\$'000)	Total (\$'000)
2023-2024				
<i>Contractual financial assets</i>				
Cash and cash deposits	-	29,220	-	29,220
Receivables (excluding statutory receivables)				
Accrued investment income	-	21,978	-	21,978
Investments and other financial assets				
Investments	473,939	-	-	473,939
Total contractual financial assets	473,939	51,198	-	525,137
<i>Contractual financial liabilities</i>				
Payables				
Trade payables and accrued expenses (excluding statutory payables)	-		914	914
Borrowings	-		151	151
Total contractual financial liabilities	-	-	1,065	1,065

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

7.1 Financial instruments specific disclosures (continued)

7.1.4 Financial risk management objectives and policies

The activities of the Authority expose it to a variety of financial risks. The Authority's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price 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 and manage the different risks 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 2023-24.

(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 interest rate risk, foreign currency risk and equity 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 Victorian Funds Management Corporation (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.

The following table indicates the Authority's exposure to equity 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.

	Carrying Amount (\$'000)	-15% Price Movement Profit/Equity (\$'000)	+15% Price Movement Profit/Equity (\$'000)
2023-2024			
<i>Financial assets</i>			
Investments and other financial assets	473,939	(71,091)	71,091
Total	473,939	(71,091)	71,091

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

(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 2024 (30 June 2023: \$nil).

7.3 Fair value determination

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.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through profit or loss
- financial assets at fair value through other comprehensive income land, buildings, infrastructure, plant and equipment

The Authority determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair Value Hierarchy

The Authority is required to classify financial assets and financial liabilities into a Fair Value Hierarchy that reflects the significance of the inputs used in determining fair value. The Fair Value Hierarchy is made up of the following three levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either derived from prices directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amount of financial assets measured at fair value, as well as the methods used to estimate the fair value are summarised in the table on the next page. All other financial assets and liabilities are measured, subsequent to initial recognition, at amortised cost and as such are not included in the above-mentioned table.

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** Restructuring of administrative arrangements
- 8.7** 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 (Vic)*, 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 (Vic)* 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 2023	30 June 2024
Julius Roe	Director (Chair)	01 July 2023	30 June 2024
Claire Filson	Director (Deputy Chair)	01 July 2023	30 June 2024
Emma King OAM	Director	01 July 2023	24 November 2023
Elisa Brophy	Director	01 July 2023	30 June 2024
Lisa Darmanin	Director	01 July 2023	27 February 2024
Tim Piper AM	Director	01 July 2023	30 June 2024
Rachael Saunders	Director	01 July 2023	30 June 2024
Julie Warren	Director	01 July 2023	30 June 2024
Joseph Yeung	Director and Chief Executive Officer	01 July 2023	30 June 2024

8.1 Responsible persons (continued)

Remuneration

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

Income band (\$):	2024 No.	2023 No.
\$0 - \$9,999	1	-
\$10,000 - \$19,999	1	1
\$20,000 - \$29,999	3	6
\$30,000 - \$39,999	2	-
\$50,000 - \$59,999	1	1
\$290,000 - \$299,999	-	1
\$340,000 - \$349,999	1	-
Total Numbers	9	9

Remuneration received, or due and receivable, during 2023-24 by Responsible Persons including the Accountable Officer from the Authority in connection with the management of the Authority was \$565,837 (\$528,995 in 2022-23).

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 personal 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.

	2024 (\$'000)	2023 (\$'000)
Remuneration of Executive Officers		
Short-term employee benefits	737	581
Post-employment benefits	81	60
Other long-term benefits	13	10
Termination benefits	-	-
Total remuneration ⁽ⁱ⁾	831	651
Total number of executives	4	3
Total annualised employee equivalents ⁽ⁱⁱ⁾	3.4	2.8

⁽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.

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.

Key management personnel (KMP)

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.

	2024 (\$'000)	2023 (\$'000)
Compensation of Key Management Personnel⁽ⁱ⁾		
Short-term employee benefits	505	474
Post-employment benefits	55	50
Other long-term benefits	6	5
Total	566	529

⁽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.

8.5 Auditor's Remuneration

Auditor's remuneration for auditing the financial statements of the Authority excluding GST for 2023-24 has been set at \$55,000 (\$42,500 in 2022-23) by the Victorian Auditor-General's Office. No other benefits were received or are receivable by the Victorian Auditor-General's Office.

8.6 Restructuring of administrative arrangements

In October 2023, the government issued an administrative order under section 3 of the *Administrative Arrangements Act 1983 (Vic)* to restructure some of its activities via machinery of government changes. As a result, the Authority was transferred from the Department of Premier and Cabinet (transferor) to the Department of Treasury and Finance (transferee), taking effect on 1 February 2024.

8.7 Australian Accounting Standards issued that are not yet effective

As at 30 June 2024, the following applicable standards and interpretations had been issued but were not mandatory for the financial year ending 30 June 2024. The Authority has not and does not intend to adopt these standards early.

Standard/ Interpretation ⁽¹⁾	Summary	Effective date	Effective date for the entity	Estimated impact
AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities	<p>AASB 2022-10 amends AASB 13 Fair Value Measurement 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>The Standard:</p> <ul style="list-style-type: none"> • specifies when entities need to consider if an asset's highest and best use differs from its current use. It also clarifies when an asset's use is considered financially feasible; • specifies when an entity shall use its own assumptions and data to develop unobservable inputs. It also clarifies when these assumptions and judgements shall be adjusted; • provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in the reference asset and identification of economic obsolescence. 	1/1/2024	1/7/2024	Based on a preliminary assessment by the Authority, there will be no significant impact.

8.7 Australian Accounting Standards issued that are not yet effective (continued)

Standard/ Interpretation ⁽¹⁾	Summary	Effective date	Effective date for the entity	Estimated impact
AASB 17 Insurance Contracts	AASB 17 replaces AASB 4 Insurance Contracts, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.	1/7/2026	1/7/2026	Based on a preliminary assessment by the Authority, there will be no significant impact.
AASB 2022-8 Amendments to Australian Accounting Standards - Insurance Contracts: Consequential Amendments	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.			
AASB 2022-9 Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector	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.			

In addition to the new standards and amendments above, the AASB has issued a number of other amending standards that are not effective for the 2023-24 reporting period. These standards are not expected to have any significant impact on public sector entities and thus have not been included in the table.

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

9.1 Community Services scheme

9.1.1 Comprehensive operating statement

	Notes	2024 (\$'000)	2023 (\$'000)
Income from transactions			
Contributions from employers and contractors	2.2.1	136,146	101,904
Investment distribution	2.2.2	20,972	5,144
Interest		319	359
Net gain/(loss) on fair value of investments	4.2.1	7,104	10,626
Total income from transactions		164,541	118,033
Expenses from transactions			
Portable long service benefits expense	3.4.1	(142,316)	(99,832)
Administration expenses		(12,719)	(9,569)
Total expenses from transactions		(155,035)	(109,401)
Net result from transactions (net operating balances)		9,506	8,632
Net result		9,506	8,632
Comprehensive result		9,506	8,632

9.1 Community Services scheme (continued)

9.1.2 Balance sheet

	Notes	2024 (\$'000)	2023 (\$'000)
ASSETS			
Current assets			
Cash and deposits	6.3	9,192	2,822
Receivables	5.1	49,494	35,779
Investments and other financial assets	4.2	48,594	32,079
Total current assets		107,280	70,680
Non-current assets			
Investments and other financial assets	4.2	319,543	212,796
Total non-current assets		319,543	212,796
TOTAL ASSETS		426,823	283,476
LIABILITIES			
Current liabilities			
Payables	5.2	820	838
Accrued portable long service benefits	3.4.2	23,805	42,854
Total current liabilities		24,625	43,692
Non-current liabilities			
Accrued portable long service benefits	3.4.2	385,894	232,986
Total non-current liabilities		385,894	232,986
TOTAL LIABILITIES		410,519	276,678
NET ASSETS		16,304	6,798
EQUITY			
Reserves	6.5	5,029	5,029
Accumulated surplus		11,275	1,769
NET WORTH		16,304	6,798

9.2 Contract Cleaning scheme

9.2.1 Comprehensive operating statement

	Notes	2024 (\$'000)	2023 (\$'000)
Income from transactions			
Contributions from employers and contractors	2.2.1	16,879	13,134
Investment distribution	2.2.2	3,270	863
Interest		41	56
Net gain/(loss) on fair value of investments	4.2.1	1,208	1,868
Total income from transactions		21,398	15,921
Expenses from transactions			
Portable long service benefits expense	3.4.1	(11,607)	(9,360)
Administration expenses		(1,575)	(1,249)
Total expenses from transactions		(13,182)	(10,609)
Net result from transactions (net operating balances)		8,216	5,312
Net result		8,216	5,312
Comprehensive result		8,216	5,312

9.2 Contract Cleaning scheme (continued)

9.2.2 Balance sheet

	Notes	2024 (\$'000)	2023 (\$'000)
ASSETS			
Current assets			
Cash and deposits	6.3	994	441
Receivables	5.1	7,149	5,230
Investments and other financial assets	4.2	7,529	5,309
Total current assets		15,672	10,980
Non-current assets			
Investments and other financial assets	4.2	49,512	35,221
Total non-current assets		49,512	35,221
TOTAL ASSETS		65,184	46,201
LIABILITIES			
Current liabilities			
Payables	5.2	144	92
Accrued portable long service benefits	3.4.2	3,477	5,596
Total current liabilities		3,621	5,688
Non-current liabilities			
Accrued portable long service benefits	3.4.2	44,393	31,557
Total non-current liabilities		44,393	31,557
TOTAL LIABILITIES		48,014	37,245
NET ASSETS		17,170	8,956
EQUITY			
Reserves	6.5	956	956
Accumulated surplus		16,214	8,000
NET WORTH		17,170	8,956

9.3 Security scheme

9.3.1 Comprehensive operating statement

	Notes	2024 (\$'000)	2023 (\$'000)
Income from transactions			
Contributions from employers and contractors	2.2.1	12,821	10,070
Investment distribution	2.2.2	2,807	760
Interest		35	41
Net gain/(loss) on fair value of investments	4.2.1	1,085	1,704
Total income from transactions		16,748	12,575
Expenses from transactions			
Portable long service benefits expense	3.4.1	(12,199)	(11,570)
Administration expenses		(1,118)	(1,057)
Total expenses from transactions		(13,317)	(12,627)
Net result from transactions (net operating balances)		3,431	(52)
Net result		3,431	(52)
Comprehensive result		3,431	(52)

9.3 Security scheme (continued)

9.3.2 Balance sheet

	Notes	2024 (\$'000)	2023 (\$'000)
ASSETS			
Current assets			
Cash and deposits	6.3	385	708
Receivables	5.1	5,421	3,966
Investments and other financial assets	4.2	6,437	4,624
Total current assets		12,243	9,298
Non-current assets			
Investments and other financial assets	4.2	42,325	30,670
Total non-current assets		42,325	30,670
TOTAL ASSETS		54,568	39,968
LIABILITIES			
Current liabilities			
Payables	5.2	74	81
Accrued portable long service benefits	3.4.2	4,370	5,027
Total current liabilities		4,444	5,108
Non-current liabilities			
Accrued portable long service benefits	3.4.2	43,972	32,143
Total non-current liabilities		43,972	32,143
TOTAL LIABILITIES		48,416	37,251
NET ASSETS		6,152	2,717
EQUITY			
Reserves	6.5	833	833
Accumulated surplus		5,319	1,884
NET WORTH		6,152	2,717

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.

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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.

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