



Portable Long Service Authority

Annual Report 2020-21



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Responsible body's declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Portable Long Service Benefits Authority's Annual Report for the year ended 30 June 2021.

Julius Roe
Chair, Governing Board

Overview

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

The Scheme enables eligible workers to accrue long service benefits based on the length of time employed in their respective industry, rather than the length of time employed by one employer. The Authority maintains registers of covered employers and workers and is responsible for the collection of levies and overseeing the payment of benefits.



Vision

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

Purpose

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

Values

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



Responsiveness

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



Integrity

We have unbiased and honest interactions.



Impartiality

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



Accountability

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



Respect

We respect our stakeholders, each other and ourselves.



Leadership

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



Human rights

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

Chair and Chief Executive Officer / Registrar's Report

On behalf of the Governing Board, we are pleased to present the Annual Report of the Portable Long Service Authority (the Authority) for the financial year ended 30 June 2021.

The Portable Long Service Leave Scheme (the Scheme) continues to grow and mature and this is evidenced by the total number of registered workers which has increased to 177,960 across the three covered industries being community services, contract cleaning and security. Total registered employers have also increased to 2,540. Both registration figures are well above the targets of the Authority that were originally determined by the Victorian Government and informed by a detailed independent actuarial study performed at the commencement of the Scheme.

Since the Scheme commenced operations on 1 July 2019, the Authority has made giant steps towards fulfilling its vision of delivering a quality portable long service leave scheme to some of Victoria's most financially vulnerable workers. The strong foundations that have been laid during the 2020-2021 financial year continue to build on the success of the first year of the Authority's operations despite the continued background challenges that COVID-19 has had on so many workplaces and more sadly on society in general.

Under the oversight of the Governing Board, the Authority's leadership team has established the Portable Long Service Authority as an effective regulator and administrator of the Scheme. This has been underlined by continued strong financial growth and the responsible funds management of over \$120 million in financial assets since the Scheme's inception.

The dedication and commitment of our staff is also to be commended. The large number of workers and employers registering with the Authority in the past financial year has generated heavy workloads which have been managed by a dedicated workforce based mainly in regional Victoria. The challenges of providing exceptional customer service to employers and workers, as well as other stakeholders against the uncertainty of necessary lockdowns during the financial year, has been overcome by the resilience and willingness of the Authority's staff to adapt to changing circumstances.

The Authority continues to be headquartered in Bendigo and this has been fruitful in creating employment and injecting income into the local economy, as supported by the fact that the majority of staff have been recruited from Greater Bendigo and surrounding areas. The Authority remains determined to build lasting relationships with community and business groups in regional Victoria.

Looking forward, our priority for the coming financial year is to ensure more eligible employers in the three covered industries are registered with the Authority. We will also be enforcing the legislation and regulations that establish the Authority to ensure that covered employers comply with their legal and financial obligations.

We look forward to the challenges in the new financial year and to building on the continued achievements made by the Authority in the current financial year.



Julius Roe
Chair, Governing Board

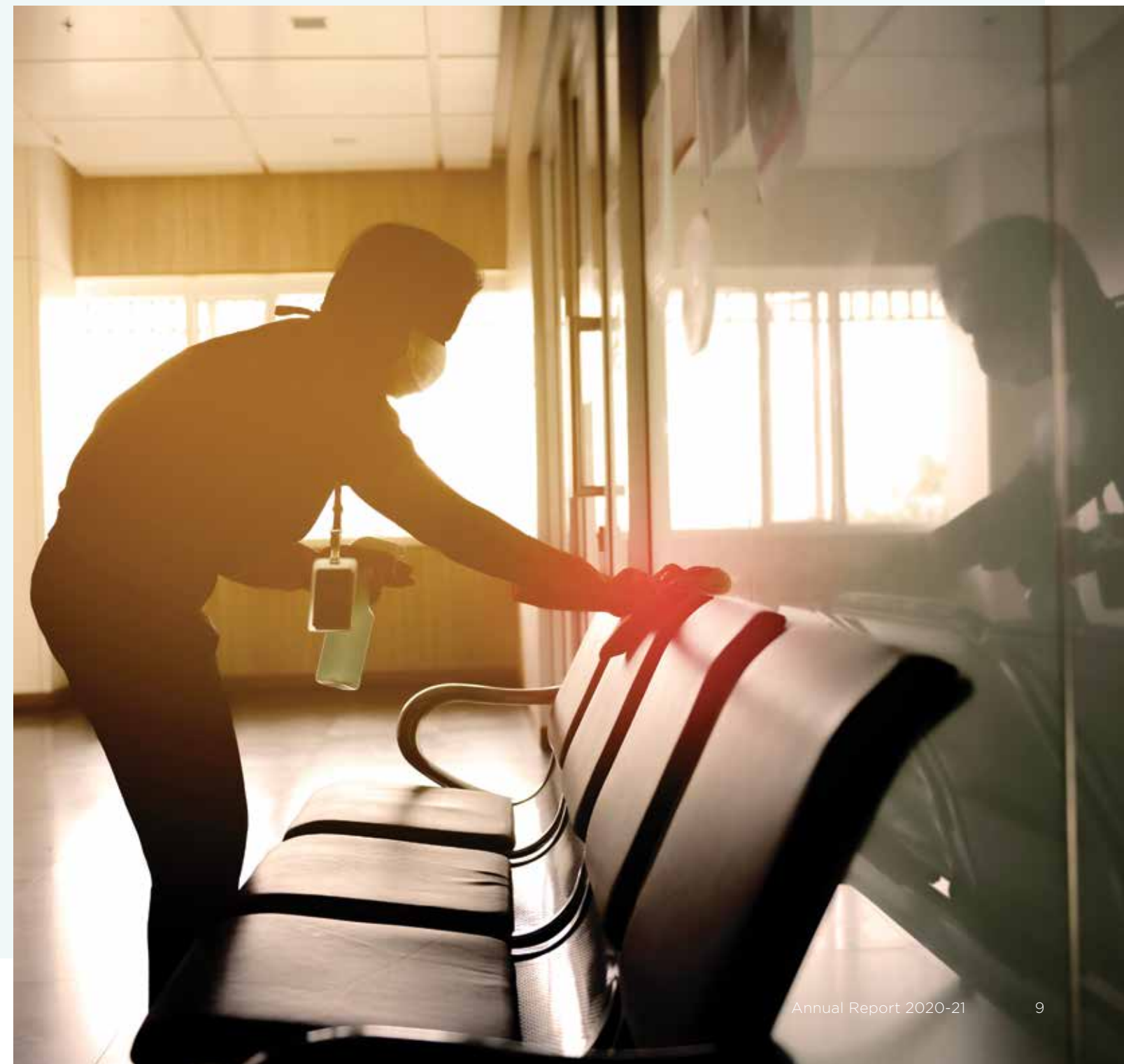


Joseph Yeung
Chief Executive Officer / Registrar

Role and functions

The Authority has several key functions pursuant to the Act:

1. Administering the Portable Long Service Benefits Scheme in the covered industries.
2. Making payments of benefits.
3. Keeping registers of covered employers and workers.
4. Resolving disputes as to the timing of taking a period of leave (applicable only to workers in the contract cleaning and security industries).
5. Consulting other industries that may be affected by decisions made under the Act in relation to covered industries.



Statement of Expectations

The Authority is delivering on the Victorian Government's Statement of Expectations for the period 1 July 2020 to 30 June 2022, which sets out the Authority's contribution to the Government's program to reduce red tape and promote greater efficiency and effectiveness in the administration and enforcement of regulation.

To achieve this, the Authority has identified a range of projects and activities. The key priorities are:

- Continuing to explore ways to ensure all processes are timely, efficient and effective.
- Employing risk-based approaches to regulatory operations.
- Providing easy to understand, effective and accessible compliance information.
- Being accountable and transparent in its operations.
- Ensuring that regulatory activities are clear and consistent.

The Authority will consult with relevant stakeholders as appropriate and will report progress against performance targets in our Corporate Plan and Annual Financial Reports.

The Authority will continue to strive to identify and implement further regulatory burden reduction initiatives where possible.



**Registered
workers**

177,960

114,137
last year

↑ **119,288**
Community Services
(77,021 last year)

↑ **39,368**
Contract cleaning
(23,965 last year)

↑ **19,304**
Security
(13,151 last year)

**Registered
Employers** **2,540** **1,914**
last year

↑ **1,619** Community Services (1,363 last year) | ↑ **517** Contract cleaning (347 last year) | ↑ **404** Security (204 last year)

FUNDS INVESTED

\$113,832,748

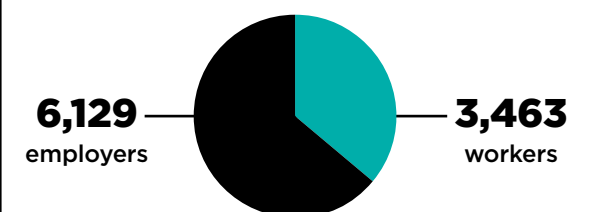
4,968
Emails
Received

3,447
from employers

1,521
from workers

**Inbound
Calls**
9,819*

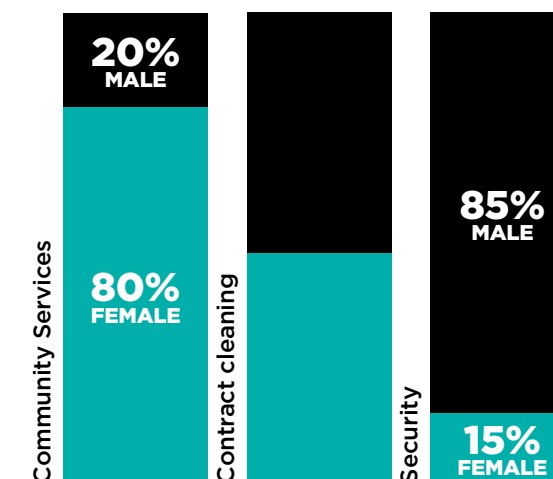
*227 callback queue (employer & workers)



15,243 Outbound calls

99% of all calls answered
within three minutes

Worker Gender Breakdown



Website
Visits
91,000
hits

Social Media

↑ **f** up 134% | ↑ **in** up 113%

email newsletter subscribers

3,402

Meet Martin Boyle

At 203 centimetres tall, Bendigo resident Martin Boyle is certainly an imposing figure. We talk to Martin about his career as a security guard.

How did you get into the security industry?

Back in 2012, a couple of friends were employed as security guards and suggested I might enjoy the work. I found a casual contract position working at the Thales facility in Bendigo where they manufacture light armoured military vehicles. It was an interesting place to work, with shifts varying from three to seven days a week, any time of the day or night.

Were you only working the one security job?

Besides Thales, I was working on the front desk at State Trustees in Bendigo, meeting customers and assessing their needs. I also had a job as a security guard at a nightclub a couple of nights a week. In total, I had three jobs going. Two were with security contract companies while the third was directly through the nightclub manager.

Have there been other security positions since then?

Plenty. I work at major sporting events including the Melbourne Grand Prix, the Spring Racing Carnival, the Australian Tennis Open and music concerts at Rod Laver Arena. Since that work is spasmodic, I've also held casual contract positions in security with the Federal Circuit Court, Bendigo TAFE and more recently, La Trobe University in Bendigo.



How did you hear about the Portable Long Service Scheme?

Initially through a housemate who worked in payroll but I also had two contract employers who told me they had both signed me up to the Scheme. I remember receiving a letter from the Authority informing me that I was now registered with the Scheme. I never thought in my working life that I'd be eligible for portable long service leave. I'm now getting benefits paid into the Scheme from three employers.

Has the Scheme changed your life in anyway?

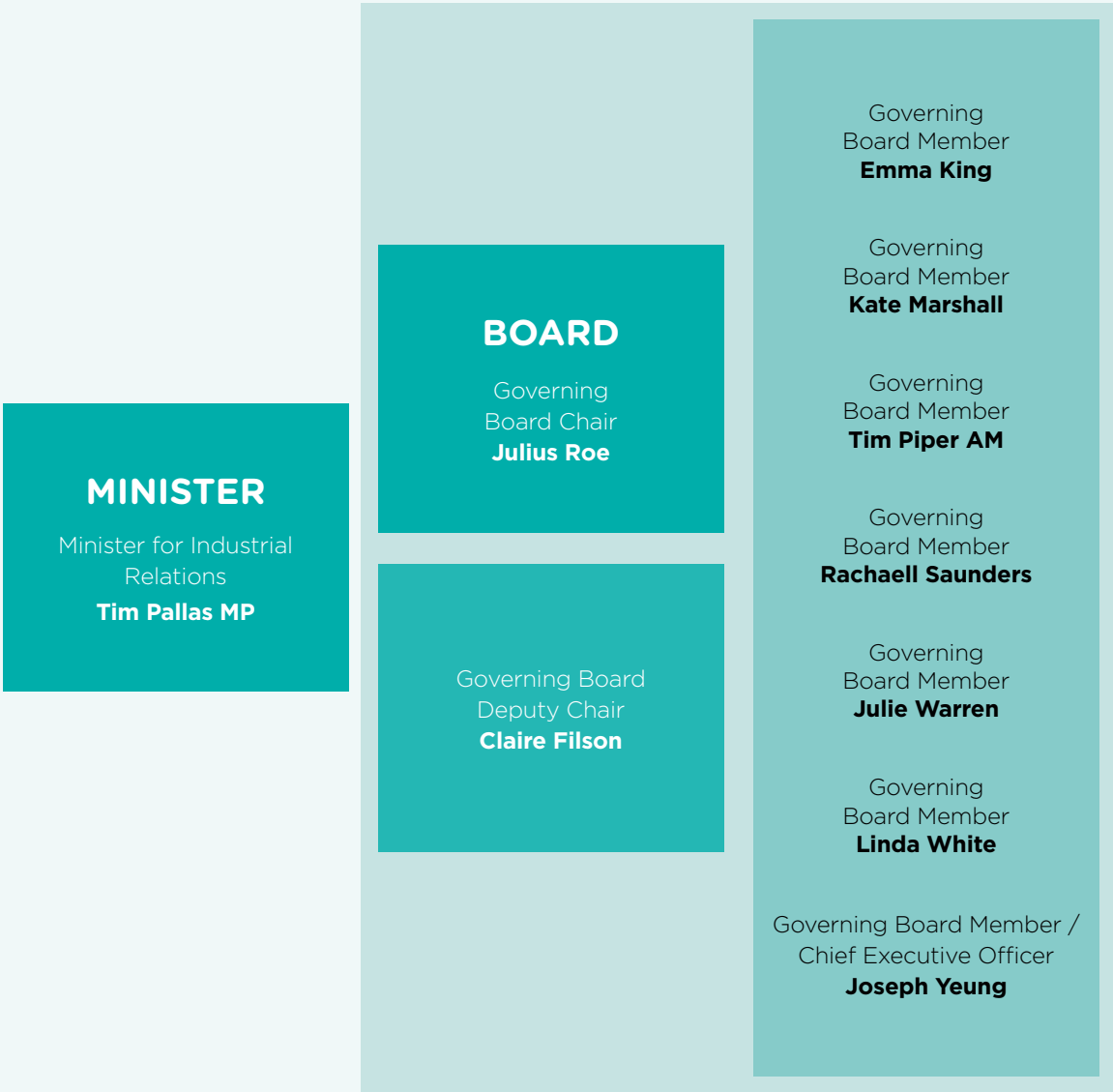
Not yet, but it will in about five years' time. I log into the Authority's worker portal every now and again to check on my hours accrued and think about the money I'll get after seven years in the Scheme.

What do you plan to do with the money?

Have an overseas holiday for the first time ever.

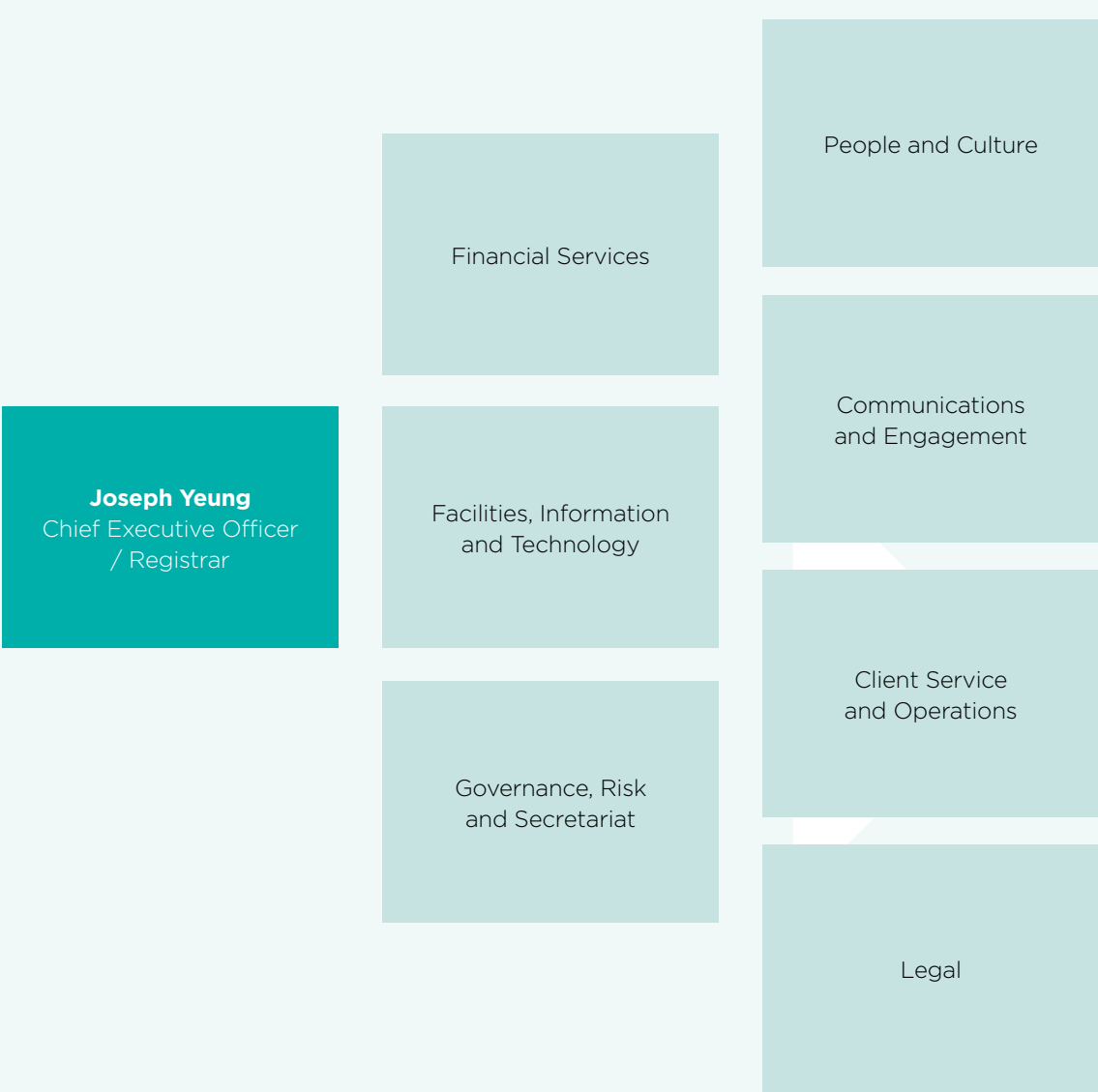


Governing arrangements



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

Organisational structure



Meet Gavin Pawsey

For most of Gavin Pawsey's working life, the days and nights have been filled with rapturous applause. Few people can say their career revolved around the world of theatre production and furthermore be employed by some of Australia's most significant cultural institutions.

There were signs of Gavin's impending artistic future while growing up south west of Sydney, with the teenager taking a keen interest in amateur theatre.

Gavin felt he should complete a tertiary course which would give him a reliable, life-long career. An engineering course at Wollongong University beckoned. However, the magnetic draw of the arts saw Gavin become involved in Theatresports, a form of improvisational amateur theatre while in Wollongong. The prospect of a career in engineering faded away when Gavin applied and became one of the first ever theatre technical trainees at the Sydney Opera House in 1990.

The course involved working in most departments within the Sydney Opera House including staging and lighting, audio visual and sound. The hours were extremely long but exhilarating. The longest period he worked without a break was 25 days straight! Gavin worked at the Sydney Opera House for 21 years.

Gavin began work in the year 2000 at the Australian National Maritime Museum based at Darling Harbour on audio-visual installations. The positions at the Sydney Opera House and the Maritime Museum were flexible, giving him time to work between the two organisations.

In 2011, Gavin was appointed Head of Sound and Audio Visual at Opera Australia. The following six years was a hectic schedule of operatic productions performed around Australia.

By 2017, it was time for a dramatic change but not involving the drama of the stage. Gavin, his wife and son embarked on a journey from the suburbs of Sydney to country Victoria to be closer to his wife's parents but with no idea where they would work or live.

"We lived with the ocean at the end of the street. The morning we left Sydney I watched a whale breaching the water. When we arrived in rural Victoria, a kangaroo hopped across the backyard where we were staying," he said. Gavin wasn't sure of the significance of the two incidents but felt nature was trying to tell him something.



Now settled in the Macedon Ranges, Gavin looked at his career options. A friend told Gavin his greatest gift was his ability to effectively communicate to all manner of people, often practiced within the inner sanctum of a theatre, opera house or museum.

With that in mind, Gavin applied for a position with a brand new organisation based in Bendigo called the Portable Long Service Authority, which managed a scheme aimed at providing workers in community services, security and contract cleaning with long service leave.

At his interview, Gavin told the panel he was attracted to the position because of its social justice element. "During my career, I worked alongside contract security guards and cleaners who despite years of dedicated service never received long service leave," said Gavin. "What I considered an important and rightful benefit," he added.

Gavin became one of the first Customer Service and Education Officers with the Authority when it began operations in 2019. He now has a demanding role advising workers registered with the Authority of their rights under the Scheme and helping employers understand their role in providing for the financial future of their casual staff.

Take a bow Gavin Pawsey.

Business units



The **Governance, Risk, Secretariat and Legal** business unit is responsible for establishing good governance, delivering sound legal advice to the Authority as well as facilitating the efficient and effective running of the Governing Board and Audit and Risk Committee.



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



The **Client Service and Operations** business unit is the largest business unit within the Authority and delivers our core registry and enforcement functions through engaging with employers and workers to support them to fulfil their obligations and understand their rights.



The **Facilities, Information and Technology** business unit underpins our core operations and manages key vendors which support our network infrastructure and telephony systems. Having the best systems in place enables us to be efficient and effective in delivering on our functions.



The **People and Culture** business unit supports the growth and development of our people and culture. Our people are our greatest asset. Without our people, we have no capability to fulfil our statutory obligations under the Act.



The **Communications and Engagement** business unit leads communications, identification of and engagement with key stakeholders and internal and external education activities to ensure that employers understand and can meet their obligations and workers know their rights. It is vital that we communicate and engage with employers and eligible workers across the covered sectors.

Objectives

The Authority's primary objectives are to:

- **Fulfil our legislative obligations** by effectively administering the *Long Service Benefits Portability Act 2018*.
- **Implement effective responsible budget and investment strategies** which grow levy funds and deliver long-term sustainability.
- **Be clear, consistent, transparent and responsive** in our stakeholder communications to encourage registration and levy payments and ensure that eligible workers and employers are aware of their rights and obligations.
- **Maintain a healthy and safe workplace** with a culture that encourages engaged, resilient and solution-focused staff.
- **Maintain an innovative, secure, resilient and integrated information technology environment** that supports effective operations now and into the future.
- **Protect the long-term interests of the Authority** through effective regulation using governance, strategic risk management and clear policies and procedures.

Our performance

Organisational objectives, indicators and outputs

The Authority had one output associated performance measure with the 2020-21 Victorian Budget as set out in the 2020-21 Budget Paper No. 3 *Service Delivery*. This is shown below:

Table 1: Progress against organisational objectives, indicators and outputs

Performance measures	Unit of Measure	2020/21 actual result	2020/21 target
Workers registered under the Portable Long Service Benefits Scheme	Number	177,960*	75,000

* The 2020-21 actual is higher than the 2020-21 target due to increased proactive activity by the Portable Long Service Authority to register employers.



Business unit reports

Governance, Risk, Secretariat and Legal

In the past year we have achieved our goal of providing strategic, sound and constructive legal and governance advice to the Authority, Registrar and internal business units.

We have supported the Governing Board, along with the Audit and Risk Committee, to make astute and prudent decisions, ensure assurance through our strategic internal audit program and effectively monitor our risks.

The production of a comprehensive risk management framework and a detailed integrity and policies framework underpins the foundations of the Authority's corporate governance.

We have also managed an effective corporate planning process, performance management framework, along with ensuring measures are in place and monitored to provide public accountability and transparency.

The COVID-19 pandemic has had a significant impact on the Authority. The Authority's approach to responding to the pandemic was driven by our business unit resulting in the Authority successfully ensuring operations continued unabated.

The Legal team supports the Authority by educating business units on changes to the regulations associated with our Act and assisting with the implementation of operational changes arising from these developments.

It has also reviewed and provided advice on draft amendments to the Act, with changes to come into effect on 1 July 2021 and has continued negotiations with portable long service entities in other states to establish reciprocal agreements.

We developed the Authority's response to the Ministerial Statement of Expectations while fostering productive working relationships with other regulators and leave authorities across Australia.

The challenge ahead is to develop accessible and consistent messaging internally and externally about the scope of the scheme for employers and workers, to support a strengthened compliance and enforcement approach, along with ensuring management and staff are given effective legal advice in response to issues as they arise.

Financial Services

A key highlight for the Finance business unit this year has been the smooth transition of our business systems.

We are operating more efficiently and have also reduced costs by moving from external system providers to managing payroll and financial systems internally.

We have also enhanced our budgeting and forecasting processes as well as implemented key financial policies and procedures.

On an extremely positive note, the Authority is managing almost \$114 million in capital, which will fund the future long service benefits of registered workers.

Our investment of funds with the Victorian Funds Management Corporation (VFMC) is returning a healthy 6.54% from February 2020 and is currently sitting at 14.2% for the past financial year.

The challenge ahead for the Finance business unit is to increasingly use live data to validate key assumptions behind actuarial modelling, adapt to changes in regulations and the development of new information technology which will improve the Authority's business registry system.

As the Authority has flourished, the Finance business unit has met every challenge with aplomb.

Client Service and Operations

The Client Service and Operations business unit is comprised of two teams.

The Customer Service and Education (CSE) team assesses applications for registration from employers and workers and determines whether they should be registered with the Authority. Once registered, the CSE team members are the main point of contact for employers and workers, assisting them with quarterly returns and enquiries.

The Compliance and Enforcement team works with employers to ensure they fulfil their obligations and financial commitments to the Scheme.

The challenge for all teams is to implement a range of strategies to ensure that employers and workers are registered to the full extent of the Scheme's scope and that there is accessible and consistent messaging about the scope of the scheme.

We will further develop our processes to assist employers to complete accurate and timely returns and to identify where workers have been omitted from returns. In the coming year our compliance and enforcement strategy will be enhanced.

The business unit has once again shown resilience and professionalism by adjusting to remote working, children learning from home and changing travel restrictions.

The amount of calls Client Service and Operations has managed over the past year is staggering for such a developing Authority. We have received nearly 10,000 inbound calls in the past year and are actively engaged with the 177,960 workers and 2,540 employers registered with the Authority.

We have seen the continual development and improvement of processes and business systems employed by the business unit, often through the feedback that we receive from employers and workers.

The impact of COVID-19 has presented many challenges. It has led to staff moving to remote working environments.

There is no doubt there have been challenges in the past year for the business unit, highlighted by the extraordinary increase in the number of workers registrations and the impact of COVID-19 on the workplace. The business unit has once again shown resilience and professionalism.

Facilities, Information and Technology

As the Authority evolves, we have ensured the organisation remains flexible and agile by introducing new technology to improve operations.

A major project for us has been the successful installation of the Genesys phone system for the Client Services and Operations Unit, based in Bendigo.

We have also been involved in the implementation of a new HR/payroll system and risk management software to help streamline operations.

The Facilities team has also overseen the establishment of new office space to cater for the Authority's growth in Bendigo and Melbourne CBD. The fit-out of both office areas occurred seamlessly.

The construction and design of the Authority's new intranet has also been an important element of the business unit's activities during the past 12 months. We have been working closely with all the business units to develop the site.

The aim is to make the Authority's intranet simple to navigate and with easy access to a wealth of information provided by each business unit.

The transition to staff working remotely due to the COVID-19 pandemic has occurred without incident. We have provided around-the-clock support and technical expertise to the various business units to ensure no interruption to the Authority's operations.

The challenge for us is to keep investigating and introducing new information technology products to further support the successful operations of the Authority.

People and Culture

The People and Culture business unit has focused on ensuring our workforce has the right skills, capabilities and as an organisation, the Authority has a healthy culture where people feel happy and productive.

We believe people are our greatest asset and it's our job to support their growth and development within the Authority.

As at 30 June 2021, the Authority has 47 staff with more than 90 per cent from the Greater Bendigo and surrounding areas as part of its commitment to invest in regional Victoria. In the past year, we have been involved in the recruiting process for 21 positions with the Authority.

The COVID-19 pandemic has presented many challenges. We made the swift transition of our staff to remote working.

This meant we had to adapt the ways in which we supported staff to make sure everyone felt connected, informed and that everyone's mental health and well-being were cared for.

We conducted 155 one-on-one check-ins with staff members over the past year to speak with staff about their health, well-being and to ensure they felt supported by the Authority while working remotely.

There were various ways we went about this, including giving staff access to a virtual gym, 'ergonomics at home' virtual training sessions and webinars to cope with the onset of loneliness and isolation.

The Victorian Public Service annual survey the 'People matter survey' conducted last October found that 96% of staff found the Authority inspired them to do the best in their job, motivated them to help achieve its objectives and 92% thought it was a good place to work.

Communications and Engagement

This year, the Communications and Education business unit leveraged off the previous year's comprehensive communications and engagement activities to propel the Authority's brand and presence among the target audiences and stakeholders.

Following the successful 2019 advertising campaign, the Authority delivered two further campaigns focusing on raising awareness among employers and workers with employers receiving a stronger compliance message. The campaigns were delivered through digital and radio advertising in metropolitan and regional Victoria.

Content on the Authority website was enhanced resulting in an increase of over 10,000 unique visitors from the previous year, while our social media channels including Facebook and LinkedIn grew by 134% and 113% respectively. The fortnightly email newsletter moved to monthly distribution in February 2021 and averaged an open rate of 40 – 50% which is significantly above the industry standard. Our digital presence continues to be our main channel in raising awareness of the Authority and moving forward, will play a key role in driving traffic to our website.

COVID-19 affected our proposed participation in trade shows and events, however online speaking opportunities were made available to the Authority throughout the year. Since October 2020, the Research and Education team within the business unit held ten general online webinars for 300 external stakeholders, as well as sector specific online sessions for 130 employers.

The Communications and Engagement business unit continued to work in concert with the Operations business unit supporting tactical initiatives and developing targeted communication to address issues and needs identified through data and intelligence gathering.

A challenge ahead is to support accessible and consistent messaging about the broad scope of the scheme for employers and workers and to support our strengthened compliance and enforcement approach.

As our scheme matures there are also opportunities to support our stakeholders by providing access to data about our industries and their workforce.



Delivering on our objectives

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

Below is an overview of the activities contributing towards these objectives.

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

Key highlights:

- Campaign targeting more than 1,000 potential security industry and 550 contract cleaning employers for registration to the Scheme.
- Launched new telephony system allowing for enquiries to be managed remotely.
- Improved Worker Customer Relationship Management (CRM) system functions to allow employers to upload data in a speedy and effective way.
- Process servers hired to deal with non-compliant employers.
- The Compliance and Enforcement team, as part of the Client Service and Operations business unit, issued 193 Notices of Requirement to compel documents and information, of which 64% of employers complied.
- The Compliance and Enforcement team escalated 42 files to a show cause notice.
- The Compliance and Enforcement team engaged with 588 employers, of which 63% complied before the dispute escalated.

Numbers:

- 177,960 workers registered
 - 119,288 in community services
 - 39,368 in contract cleaning
 - 19,304 in security
- 2,540 employers registered
 - 1,619 in community services
 - 517 in contract cleaning
 - 404 in security

During the financial year, 13,951 quarterly returns were issued to registered employers:

- 10,393 quarterly returns were submitted during the financial year
- 5,372 were reviewed by Operations and Finance
- 571 quarterly returns were overdue with 2,987 quarterly returns due in the following financial year.

The Authority adjusted 5,403 quarterly returns due to incorrect information being submitted by the employer

- 9,819 calls answered
- 15,243 outbound calls
- 4,968 email enquiries
- 74% compliance files closed before enforcement action commenced.
- 190 eligible employers registered within two months through compliance outreach.
- 42 show cause notices issued with 78% closed.
- 22 warning notices issued to employers.

Information initially tabled in this report has been removed pursuant to a request under the *Privacy and Data Protection Act 2014* (Vic).

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

Key highlights:

- Investment strategy reviewed.
- Implemented operational procedures to minimise investment risk in a volatile market caused by the COVID-19 pandemic.
- Appointed a new Actuarial Advisor as required under the Act.
- Total expenditure remained prudent for the year.
- Developed a new and more sophisticated Authority budget and reforecast model during the financial year.

Numbers:

- \$83.9 million invoiced. \$3.4 million outstanding at 30 June 2021 of which \$0.8 million is more than 30 days overdue.
- \$113.8 million invested with Victoria Funds Management Corporation (VFMC) in the Balanced Portfolio.

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

Key highlights:

- Delivered two radio, digital display advertising and print advertising campaigns in metropolitan and regional Victoria in September and November 2020 targeting employers and workers in the contract cleaning, security and community services industries.
- Delivered culturally and linguistically diverse advertising to Arabic, Cantonese, Mandarin, Hindi and Vietnamese speakers.
- Established working groups for key communications initiatives including the implementation of the Authority intranet and launching the first direct campaign targeting security and cleaning businesses.
- Increased engagement on Facebook, LinkedIn and YouTube, establishing analytics and reporting processes for online and digital channels.
- Conducted a reader survey and made changes to the email newsletter in response to feedback, attaining a higher than industry average of 40 – 50% open rates.
- Delivered online information sessions with employers and peak bodies, including quarterly return training.
- On-site visits and online education to major stakeholders employing over 2,000 workers, with compliance and customer service staff to support quarterly return reporting.
- Provided compliance support and quarterly return assistance to 102 employers to strengthen understanding and ensure worker entitlements are recorded accurately.
- Developed online tools to assist employers and workers to navigate the Portal.
- Developed and implemented the Employer Lookup and Report Employer functions.
- Approached key stakeholders to participate in interviews, obtaining insights on awareness and engagement preferences.
- Identified and implementing 13 strategies identifying prospective employers and engagement opportunities.
- Developed a suite of internal training opportunities.

Numbers:

- Aired 497 radio advertisements.
- Over 7.5 million impressions through display advertising.
- Over 500,000 impressions through LinkedIn and Facebook social media advertising.
- 441,000 impressions on mobile advertising to speakers of Arabic, Cantonese, Mandarin, Hindi and Vietnamese on their mobile devices.
- 91,357 visits to the Authority's website, an increase of 20,000 visits on the previous year (269 visits per day).
- 698 new email newsletter subscribers; an increase of 27%.
- 21 email newsletter editions.
- 21 key stakeholder interviews.
- 15 meetings with stakeholder organisations.
- 4 industry specific information sessions to over 90 attendees.
- 26 information sessions on regulations and quarterly returns to almost 600 attendees.
- Quarterly return assistance to over 100 employers.



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

Key highlights:

- Implemented a Human Resources Information System for the Authority.
- Maintained OH&S Committee meetings despite most staff working remotely.
- Built collegiate, effective and values-based work culture.
- Completed a comprehensive performance development planning process for all staff.
- Provided external training opportunities to staff to undertake Cert IV, Diploma, Microsoft Excel and Word, and Writing for Government.
- Internal and external secondment opportunities provided to staff to upskill and develop leadership capabilities.
- Established a new Melbourne office and a second Bendigo office.
- Received positive results from the 'People matter survey'.
- Implemented an employee reward and recognition program.
- Employee Assistance Program, a confidential and free counselling service to help staff and family members with personal or work-related issues and resources including webinars were frequently promoted to staff.

Numbers:

- 7 fixed-term higher duties assignments.
- 1 internal promotion (merit based).
- 2 external secondments.
- 3 accredited Mental Health First Aiders.
- 21 roles were advertised.
- 47 staff as of 30 June 2021, an increase of 56.6% from 30 staff in June 2020.
- 155 individual one-on-one check-ins were conducted by the Senior People and Culture Adviser to speak with staff about their mental health, home ergonomic set up, and ensure they felt supported by the Authority whilst working remotely.

Working from home

- Implemented MS Teams to facilitate remote meetings and staff interaction.
- Provided staff with technology to support working from home to maintain productivity and team connectivity.
- Conducted periodic pulse surveys to assess whether staff felt adequately supported whilst working from home, with 92% of staff reporting that they were either 'coping well' or 'mostly thriving'.
- Connected staff with up-to-date official health and safety advice through regular emails.
- Organised a suite of webinars for all staff and people and managers focusing on working from home and supporting staff.
- All staff given access to a virtual gym, which has information on health, nutrition, virtual workouts for all fitness levels and 'desk sitter' stretch sessions.

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

Key highlights:

- Implemented a security program to further strengthen our systems security posture utilising Single Sign-on (SSO) and Multi-factor Authentication (MFA).
- Delivered a cyber security awareness campaign which enabled staff to recognise and report phishing emails. This strengthened the Authority's defences against malware, ransomware, data loss, and Business Email Compromise (BEC) attacks.
- Provided phishing training for staff to strengthen the Authority's defences against malware, ransomware, data loss and Business Email Compromise (BEC) attacks.
- Implemented a Desk Booking system to effectively manage workplace capacity and maximise utilisation of the office.
- Supported implementation of new payroll system.
- Supported implementation of Risk Management system.
- Designed and implemented the Authority intranet platform.
- Implemented the Genesys telephony system to enhance contact centre operations and operational reporting.
- Completed Protective Data Security Plan (PDSP) designed to help assess the Authority's information security capability.

Numbers:

- 198 tickets created for Worker Customer Relationship Management (WCRM) system support:
 - 125 issues raised relating to minor and major functionality and system issues with 58% resolved.
 - 73 enhancement/ tasks raised to improve functionality with 67% resolved.
- Five major releases and four minor releases implemented on WCRM.
- 151 incidents lodged and closed with Cenitex, the Victorian Government information and communication technology service provider.
- 1 major project managed with Cenitex.



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

Key highlights:

- Developed and implemented a Governance framework.
- Developed and implemented the Corporate Plan 2020-23.
- Reviewed business continuity policy and created a plan to enable the Authority to effectively manage future business disruption.
- Developed key corporate policies.
- Implemented a risk system to improve the quality of risk reporting, streamline the monitoring and amendment of risks and align risk to other corporate processes.
- Risk framework, including a risk policy, procedures and appetite in place and aligned with the new Victorian Government Risk Management Framework (VGRMF) (and ISO 31000: 2018 standard).
- 89.40% overall score on the Risk maturity self-assessment, which places the Authority well above the average benchmark of 67.31% (from 218 submissions).
- Integrity framework in place.
- Established integrity framework consistent with Victorian public sector practices.
- Made available a staff online risk assessment system, as well as governance and policy material via the Authority's intranet.
- Developed a Customer Service charter and internal Quality Assurance framework ready for implementation in 2020-21.
- Three-year risk aligned strategic internal audit program providing assurance over key areas of the Authority's enterprise risks.
- Completed five internal audits and concluded 15 internal audit recommendations.

Numbers:

- 89.4% on the Risk maturity self-assessment.
- 2 quarterly risk management meetings held.
- 6 Governing Board meetings held.
- 5 Audit and Risk Committee meetings held.

COVID-19 response

The COVID-19 global pandemic has for another year had a deep impact on the lives of all Victorians.

Working remotely has created significant challenges for the Portable Long Service Authority. It has been difficult to maintain internal cohesion and consistency of messaging to employers and workers in this environment.

Despite this the Authority has ensured services for registered employers and workers have continued unimpeded in this challenging operating environment.

Our Customer Service and Education Officers have responded to thousands of enquiries while also conducting online training sessions to employers in the three covered industries.

We have been proud of the way our team has risen to the challenges faced as a result of the COVID-19 pandemic, including successfully adapting to working from home.

Every effort has been made to ensure our staff members are comfortable with their rapidly changing work conditions.

The Continuity Leadership Team has been meeting to update planning and the Authority's response to the challenges presented by the pandemic.

The People and Culture business unit have maintained close contact with staff, monitoring well-being and directing our people to the Employee Assistance Program.

Other measures have been put in place to maintain and monitor the health of all staff. There are regular group video conferences and individual check-ins to provide conversation, comfort and maintain morale.

Our staff members have been encouraged to receive a COVID-19 vaccination if they are eligible.

We have also implemented an electronic desk booking system for our Bendigo and Melbourne offices to manage workplace capacity, in line with social distancing requirements. The system, known as 'Robin', allows staff to plan when they can work in the office on any given day.

As part of our response to the rapidly changing situation, staff have been issued with the latest communications and information technology enabling them to successfully continue their important work from any location.

The Authority and its people have undergone a transformation during the pandemic. We are far more agile and adaptive to the many challenges before us.

Those strengths have ensured the thousands of workers and employers registered with the Authority continue to receive the best possible service and advice during these difficult times.



Financial performance

Five-year financial summary

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

Table 2: Authority three-year financial summary

Summary	2020-21 (\$'000)	2019-20 (\$'000)	2018-19 (\$'000)
Total income from transactions	106,525	62,419	1,820
Total expenses from transactions	95,643	53,146	301
Net result for the period	10,882	9,273	1,519
Net cash flow from operating activities	75,929	40,387	-
Total assets	159,415	59,740	2,351
Total liabilities	137,741	48,948	832
Net assets	21,674	10,792	1,519

Current-year financial performance

The 2020-21 financial year is the Authority’s second full year having only commenced on 18 March 2019.

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

The Authority levies registered employers for workers in the covered industries in accordance with the Act and the Regulations and makes payments for benefits taken.

In the 2020-21 financial year, the Authority achieved a net result for the year of a \$10.9 million surplus compared to \$9.3 million surplus in 2019-20.

Levy contributions from employers and contractors based on levy rates set by the Governing Board was the largest source of income from transactions. This was achieved through 177,960 (114,137 2019-20) registered workers with 2,540 (1,914 2019-20) registered employers completing four quarterly returns during the year.

The Authority continued investing with the Victoria Funds Management Corporation (VFMC) Balanced Fund and transferred a total of \$81.3 million additional investments during the year, increasing the total investments to \$113.8 million. Investment income increased substantially to \$5.7 million as the markets recovered from the COVID-19 sell-off the previous year. The Balance Fund also outperformed the benchmark resulting in a net gain of \$6.8 million on financial instruments during the year.

A total of \$0.7 million in Government grants was received during the year to continue the assistance with the establishment of the Authority, with a final payment of \$0.2 million to occur next year.

During the year the Authority appointed Deloitte Consulting Pty Ltd as the new actuary to calculate the valuation of the portable long service benefit expense which increased to \$136.3 million as at 30 June 2021.

Administration costs totalled \$6.7 million with \$4.7 million relating to employee benefits expense and \$2.0 million for information technology costs, office expenses, professional services, promotion costs and internal and external audit fees.

Financial position balance sheet

The Authority ended the financial year with net assets of \$21.7 million and a solvency ratio of 115.7%.

Cash at bank totalled \$9.4 million, which included scheme funds collected and not transferred to VFMC investments and the Administration charge received to fund the Authority but not spent.

The Authority increased the investment funds with VFMC to \$113.8 million and accrued \$5.2 million of investment income due in July 2021 and \$27.2 million for the fourth quarter employer levy contribution payable on 31 July 2021.

The Authority's actuary calculated the long service leave valuation which totalled \$136.3 million for portable long service benefit expense based on 177,960 workers as at 30 June 2021.

Operating cash flows

Net cash flow from operating activities was positive for the year totalling \$75.9 million, which included \$81.7 million of receipts from employers for their worker levy contributions and \$1.2 million from Government to continue the establishment of the Authority.

The Authority transferred \$81.3 million to VFMC Balance Fund and received \$1.1 million of proceeds from these investments during the year.

Investment performance

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

The investment objectives of the Authority at 30 June 2021 are:

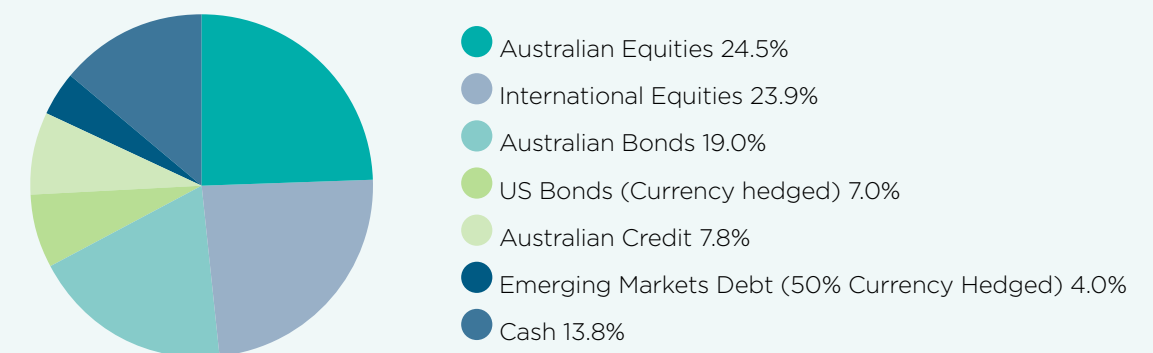
- **Return:** To achieve an average return objective of at least CPI + 3.0% p.a. with greater than 60% probability over a rolling 10 year period; and
- **Risk:** To limit the likelihood of a negative annual return to no more than one year in every five years and when negative returns occur, for this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

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 2020 – 30 June 2021, the Authority realised investment gains of \$6.8 million against total scheme funds of \$113.8 million as at 30 June 2021. In addition to the \$6.8 million investment gain, the Authority also received \$5.2 million of investment income during the year. As a result, the net investment gain for the financial year was \$12.6 million (or 14.2% return for the financial year) compared to a 12.6% benchmark for the VFMC Balanced Fund which outperformed over the year with stock selection adding value in all asset classes.

Outlook

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

Governance and organisational structure

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

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

In accordance with the *Long Service Benefits Portability Act 2018*, the Governing Board:

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

Governing Board



Julius Roe
Chair



Claire Filson
Deputy Chair



Emma King
Member



Kate Marshall
Member



Tim Piper AM
Member



Rachael Saunders
Member



Julie Warren
Member



Linda White
Member



Joseph Yeung
CEO / Registrar

Julius Roe, *Chair*

Julius’s career spans 40 years in industrial relations, including as Fair Work Commissioner from 2010 to 2017. He is currently a member of the Police Registration and Services Board and since 2017, Julius has been working as a consultant, handling mediation in a diverse range of workplace disputes in the public and private sectors. Julius has been a leader in vocational education and training policy, including on a number of 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, she 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.

Emma King

Emma King is currently CEO and Company Secretary of the Victorian Council of Social Service.

Emma is a strong voice on social justice, has a Masters in Industrial and Employee Relations and has worked as a policy adviser, teacher and in a range of industrial and training roles.

Emma is also Chair of the Farnham Street Neighbourhood House Learning Centre.

Kate Marshall

Kate Marshall is the Assistant State Secretary of the Health and Community Services Union (HSU, Vic No. 2 Branch), having joined in 2015.

She is currently the National Junior Vice President of the Health Services Union.

Before that, Kate was a legal officer with the Construction, Forestry, Mining and Energy Union in Victoria and Tasmania, heading the legal department to run matters before the Fair Work Commission, the Federal Court and the Federal Circuit Court. Kate was an associate in the Federal Court in Queensland and completed her articles at Maurice Blackburn Lawyers.

Tim Piper AM

Tim Piper has been Head of the Australian Industry Group’s Victorian branch since 2002, 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 and sits on a number of Ministerial Committees and government bodies.

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.

Rachael Saunders

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

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

Julie Warren

In addition to her work with the Authority, Julie is also on the Board of Victorian WorkCover Authority (WorkSafe Victoria) and the Migrant Workers Centre Inc.

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

Linda White

Linda White is an experienced industrial relations and legal professional with extensive board director experience. Ms White currently sits on a number of boards including the Melbourne Cricket Ground Trust and Greater Western Water. Ms White is also currently Chair of the Chifley Research Centre and on the board of Statewide Super. She was previously an executive member of the Australian Council of Trade Unions and Assistant National Secretary of the Australian Services Union where she was responsible for the union's strategy in the community sector.

Joseph Yeung

Joseph Yeung is an experienced corporate governance executive and was previously the Chief Financial Officer at the Department of Premier and Cabinet from 2017 to 2019.

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

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

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

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

Table 3: Director attendance at Governing Board meetings

Director	Eligible to attend	Attended
Julius Roe	6	6
Claire Filson	6	6
Emma King	6	6
Kate Marshall	6	6
Tim Piper AM	6	6
Rachael Saunders	6	6
Julie Warren	6	6
Linda White	6	6
Joseph Yeung	6	6

Audit and Risk Committee

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

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

The Audit and Risk Committee comprises four members, at least one of which must be independent from the Governing Board and the Authority. The Committee is governed by a charter detailing its role and responsibilities consistent with the Standing Directions and best practice corporate governance principles.

Audit and Risk Committee members

The Audit and Risk Committee consists of the following members:

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



Peter Wyatt
*Independent Member
Audit and Risk Committee*

The Audit and Risk Committee's independent member, Peter Wyatt, is the Chief Financial Officer of Treasury Corporation Victoria (TCV) and has responsibility for TCV's finance and 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, a member of the Australian Institute of Company Directors (GAICD) and of the Australian Corporate Treasury Association.

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

Table 4: Attendance at Audit and Risk Committee meetings

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

Conflicts of interest

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

The policies ensure that there is a clear, transparent and accountable process in place to manage actual and perceived conflicts of interest which facilitates the Authority's compliance with section 81 of the *Public Administration Act 2004* and section 45 of the *Long Service Benefits Portability Act 2018* in relation to pecuniary interests.

Occupational health and safety

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

In 2020-21, we recorded:

- Zero worker injury claims
- Zero days of lost time due to injury
- No equal opportunity, bullying or harassment complaints.

OH&S Committee

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

During the COVID-19 pandemic the Committee continued to meet via Microsoft Teams.

Workforce Data

Employment and conduct principles

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

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

Public sector values and employment principles

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

Comparative workforce data

The following table discloses the head count and full-time equivalent (FTE) of all Authority employees employed in the last full pay period in June 2021, and in the last full pay period in June 2020 of the previous reporting period.

Table 5: Comparative workforce data

	1 July 2020 to 30 June 2021						As at 30 June 2020					
	Ongoing		Fixed term and casual ¹		Total		Ongoing		Fixed term and casual ²		Total	
	Head count	FTE	Head count	FTE	Head count	FTE	Head count	FTE	Head count	FTE	Head count	FTE
Gender												
Male	11	10.5	10	10.0	21	20.5	9	8.7	5	5.0	14	13.7
Female	16	15.7	10	9.6	26	25.3	10	10.0	6	5.8	17	16.5
Self-described	-	-	-	-	-	-	-	-	-	-	-	-
Age												
Under 25	1	1.0	2	2.0	3	3.0	-	-	1	1.0	1	1.0
25-34	6	6.0	3	3.0	9	9.0	5	5.0	3	3.0	8	8.0
35-44	10	9.8	7	6.6	17	16.4	6	6.0	4	4.0	10	10.0
45-54	7	6.4	6	6.0	13	12.4	7	6.4	3	2.8	10	9.2
55-64	3	3.0	2	2.0	5	5.0	2	2.0	-	-	2	2.0
Classification												
VPS2	13	12.4	2	2.0	15	14.4	8	7.2	3	3.0	11	10.4
VPS3	9	8.8	2	2.0	11	10.8	5	5.0	1	1.0	6	6.0
VPS4	3	3.0	4	4.0	7	7.0	3	3.0	-	-	3	3.0
VPS5	2	2.0	4	3.8	6	5.8	2	2.0	2	2.0	4	4.0
VPS6	-	-	5	4.8	5	4.8	-	-	4	4.0	4	4.0
STS	-	-	1	1.0	1	1.0	-	-	1	0.8	1	0.8
Executive	-	-	2	2.0	2	2.0	2	2.0	-	-	2	2.0
TOTAL	27	26.2	20	19.6	47	45.8	20	19.4	11	10.8	31	30.2

¹ During the 2020-21 financial year, the Authority had within its employment nil staff on a casual basis.

² During the 2019-20 financial year, the Authority had within its employment two staff on a casual basis.

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

Table 6: Annualised total salary for executives and other senior non-executive staff

Income band (salary)	Executives		STS	
	Headcount	FTE	Headcount	FTE
\$160,000 - \$179,999	-	-	-	-
\$180,000 - \$239,999	1	1	1	1
\$240,000 - \$259,999	1	1	-	-

Executive officer data

An executive officer (EO) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004* or a person to whom the Victorian Government’s Policy on Executive Remuneration in Public entities applies.

The table below reflects employment levels at the last full pay period in June of the current reporting year.

Table 7: Total number of EOs for the Authority, broken down into gender

	1 July 2020 to 30 June 2021							
	Female		Male		Self-described		Total	
	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE
Executive	-	-	1	1	-	-	1	1
Total	-	-	1	1	-	-	1	1

The definition of an EO does not include a statutory office holder or an accountable officer; thus, the Authority’s Chief Executive Officer / Registrar, who is a statutory office holder, was excluded from this data.

Other Disclosures

Local Jobs First

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

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

The Authority undertook no projects subject to the Act during the 2020-21 reporting period.

Government advertising expenditure

In 2020-21 there were no government advertising campaigns with total media spend of \$100,000 or greater (exclusive of GST). There were however two advertising campaigns during the year with total expenditure less than \$100,000. These related to the *Portable Long Service is the Law* at a cost of \$89,939 and a Worker Campaign costing \$28,410.

Table 8: Government advertising expenditure

(\$ thousand)								
Name of campaign	Campaign summary	Start / end date	Advertising expenditure (excl. GST)	Creative and campaign development expenditure (excl. GST)	Research and evaluation expenditure (excl. GST)	Print and collateral expenditure (excl. GST)	Other campaign expenditure (excl. GST)	Total
Nil	Nil	Nil	-	-	-	-	-	-

Consultancy expenditure

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

In 2020-21, there was one consultancy where the total fees payable to the consultants were \$10,000 or greater.

The total expenditure incurred during 2020-21 in relation to these consultancies is \$261,000 (excl. GST). Details of individual consultancies are outlined below.

Table 9: Details of consultancies (valued at \$10,000 or greater)

Consultant	Purpose	Start date	End date	Total approved project fee (excl. GST)	Expenditure 2020-21 (excl. GST)	Future expenditure (excl. GST)
Deloitte Consulting Pty Ltd	Advisory services	16 December 2020	31 August 2021	261	261	-
Total				261	261	-

Details of consultancies under \$10,000

In 2020-21 there were no consultancies engaged during the year where the total fees payable to the individual consultancies was less than \$10,000.

The total expenditure incurred during 2020-21 in relation to these consultancies was nil.

Information and communication technology expenditure

Information and communication technology (ICT) expenditure refers to the Authority's costs in providing business enabling ICT services within the current reporting period.

For the 2020-21 reporting period, the Authority had a total ICT expenditure of \$678,000, with the details shown below.

Table 10: ICT expenditure

(\$ thousand)			
All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
Business as usual (BAU) ICT expenditure	Non-business as usual (non-BAU) ICT expenditure	Operational expenditure	Capital expenditure
(Total)	(Total = Operational expenditure and capital expenditure)		
678	-	-	-

It comprises of 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 2020-21.

Freedom of information

The *Freedom of Information Act 1982* (the 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 2020-21 financial year, the Authority received no applications.

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

Making a request

Freedom of Information (FOI) requests can be lodged online at www.foi.vic.gov.au. An application fee of \$29.60 applies. Access charges may also be payable if the document pool is large, and the search for material time consuming.

Access to documents can also be obtained through a written request to the Authority's Freedom of Information Officer, as detailed in subsection 17 of the Act.

When making an FOI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

Requests for documents in the possession of the Authority should be addressed to:

Attn: Freedom of Information Officer
Portable Long Service Benefits Authority
Level 1, 56-60 King Street
Bendigo VIC 3550

Requests can also be lodged online at www.foi.vic.gov.au.

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 www.foi.vic.gov.au.

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*.

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

Competitive neutrality policy

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

Compliance with the Public Interest Disclosure Act 2012

The *Public Interest Disclosure Act 2012* (previously known as the *Protected Disclosure Act 2012*) was amended by the *Integrity and Accountability Legislation Amendment (Public Interest Disclosures, Oversight and Independence) Act 2019* which came into operation on 1 January 2020. The Act encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

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

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

**Level 1, North Tower, 459 Collins Street
Melbourne, VIC 3000
Phone: 1300 735 135
Internet: www.ibac.vic.gov.au**

Table 11: Disclosures under the *Protected Disclosure Act 2012*

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

Compliance with the *Carers Recognition Act 2012*

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

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

Compliance with the *Disability Act 2006*

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

The Department of Premier and Cabinet developed a comprehensive Disability Action Plan 2017-20 which informs the Authority’s policies ensuring we remain responsive to the needs of people with a disability.

Office-based environmental impacts

The Authority’s three offices maximise natural light, with electronics, lighting, heating and cooling turned off each evening.

Staff are encouraged to avoid printing where possible and senior staff members have been provided with devices to assist with this initiative.

In addition, the implementation of “Follow Me” printing allows us to undertake usage reporting, apply print policies organisation-wide and solve mobile printing issues while also reducing waste, saving on average, 30% of wasted print jobs sent by mistake.

All office waste systems across our 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.

Subsequent events

There are no post balance date events that materially affect the Authority’s 2020-21 financial statements.

Additional information

The Authority’s published reports and documents are available online at www.pls.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 *Freedom of Information Act 1982*.

Attestation for financial management compliance with Standing Direction 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* and Instructions.



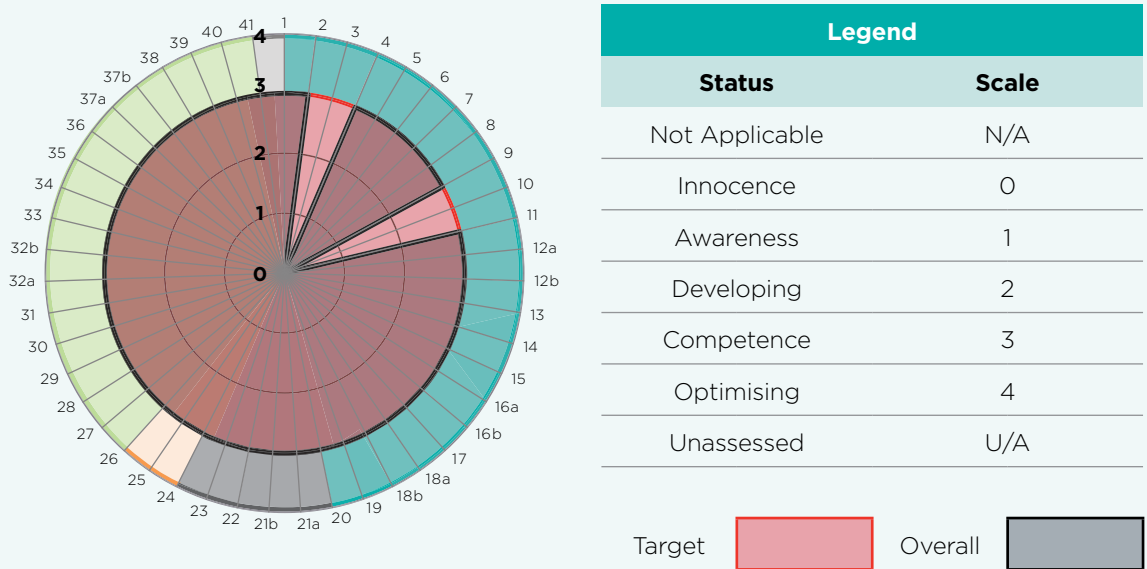
Julius Roe
Chair, Governing Board
Portable Long Service Benefits Authority

Asset Management Accountability Framework (AMAF) maturity assessment

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

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

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



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.



Financial Statements

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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 2021, the net result of the Authority was \$10.9 million.

Balance Sheet

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

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

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

Cash Flow Statement

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

For the year ending 30 June 2021, the Authority had net cash flow from operating activities of \$75.9 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 2020-21. The Report from the Independent Auditor provides an independent view and outlines any issues of concern.



Statutory certification

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

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and the accompanying notes, presents fairly the financial transactions during the financial year ended 30 June 2021 and the financial position of the Authority as at 30 June 2021.

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 24 August 2021.

Julius Roe
Chair
Portable Long Service
Benefits Authority

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

Peter Leersen
Chief Financial Officer
Portable Long Service
Benefits Authority

Independent Auditor's Report

To the Board of the Portable Long Service Benefits Authority

Opinion	I have audited the financial report of the Portable Long Service Benefits Authority (the Authority) which comprises the: - balance sheet as at 30 June 2021 - 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 significant accounting policies - statutory certification. In my opinion the financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2021 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.
Basis for opinion	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. 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	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. 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.

Auditor's responsibilities for the audit of the financial report	As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: - identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board - conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern. - evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
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MELBOURNE
26 August 2021



Timothy Maxfield
as delegate for the Auditor-General of Victoria

Comprehensive operating statement

For the financial year ended 30 June 2021

	Notes	2021 (\$'000)	2020 (\$'000)
Income from transactions			
Government grants	2.2.2	692	6,236
Contributions from employers and contractors	2.2.1	93,250	55,997
Investment income	2.2.3	5,748	571
Interest		26	33
Net gain/(loss) on financial instruments	4.2.1	6,809	(418)
Total income from transactions		106,525	62,419
Expenses from transactions			
Employee benefits expense	3.3.1	4,711	3,740
Portable long service benefits expense	3.4.1	88,658	47,684
Administration expense	3.2	1,990	1,444
Interest expense	6.2.2	10	15
Depreciation	4.1.2, 6.2.2	274	263
Total expenses from transactions		95,643	53,146
Net result from transactions (net operating balance)		10,882	9,273
Net result		10,882	9,273
Comprehensive result		10,882	9,273

The accompanying notes form part of these financial statements.

Balance sheet

As at 30 June 2021

	Notes	2021 (\$'000)	2020 (\$'000)
ASSETS			
Current assets			
Cash and deposits	6.3	9,444	13,959
Receivables	5.1	35,864	19,487
Investments and other financial assets	4.2	15,709	11,225
Prepayments		12	21
Total current assets		61,029	44,692
Non-current assets			
Property, plant and equipment	4.1	262	529
Investments and other financial assets	4.2	98,124	14,519
Total non-current assets		98,386	15,048
TOTAL ASSETS		159,415	59,740
LIABILITIES			
Current liabilities			
Trade and other payables	5.2	309	272
Employee benefits	3.3.2	812	424
Accrued portable long service benefits	3.4.2	15,984	3,123
Borrowings	6.1	191	249
Total current liabilities		17,296	4,068
Non-current liabilities			
Employee benefits	3.3.2	57	109
Accrued portable long service benefits	3.4.2	120,358	44,561
Borrowings	6.1	30	210
Total non-current liabilities		120,445	44,880
TOTAL LIABILITIES		137,741	48,948
NET ASSETS		21,674	10,792
EQUITY			
Reserves	6.5	6,818	1,782
Accumulated surplus		14,856	9,010
NET WORTH		21,674	10,792

The accompanying notes form part of these financial statements.

Cash flow statement

For the financial year ended 30 June 2021

	Notes	2021 (\$'000)	2020 (\$'000)
Cash flows from operating activities			
Receipts			
Receipts from Government		1,191	7,379
Receipts from employers		81,664	37,661
Goods and services tax received from the ATO [ⓐ]		68	126
Total receipts		82,923	45,166
Payments			
Payments to suppliers and employees		(6,379)	(4,750)
Payments to scheme employers and workers		(615)	(29)
Total payments		(6,994)	(4,779)
Net cash flows from / (used in) operating activities	6.3.1	75,929	40,387
Cash flows from investing activities			
Payments for investments		(81,281)	(26,162)
Proceeds from sale of investments		1,081	67
Payments for property, plant and equipment		(6)	(100)
Net cash flows from / (used in) investing activities		(80,206)	(26,195)
Cash flows from financing activities			
Repayment of finance lease liabilities	6.2.3	(238)	(233)
Net cash flows from / (used in) financing activities		(238)	(233)
Net increase in cash and cash equivalents		(4,515)	13,959
Cash and cash equivalents at the beginning of the financial year		13,959	-
Cash and cash equivalents at end of financial year	6.3	9,444	13,959

The accompanying notes form part of these financial statements.

[ⓐ] Goods and Services Tax paid to the Australian Taxation Office is presented on a net basis.

Statement of changes in equity

For the financial year ended 30 June 2021

	Reserves (\$'000)	Accumulated surplus (\$'000)	Total (\$'000)
Balance at 1 July 2019	-	1,519	1,519
Net result for the year	-	9,273	9,273
Transfer to reserves	1,782	(1,782)	-
Balance at 30 June 2020	1,782	9,010	10,792
Net result for the year	-	10,882	10,882
Transfer to reserves	5,036	(5,036)	-
Balance at 30 June 2021	6,818	14,856	21,674

The accompanying notes form part of these financial statements.

Notes to the financial statements
For the financial year ended 30 June 2021

NOTE 1: ABOUT THIS REPORT

Introduction	Structure
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 <i>Long Service Benefits Portability Act 2018</i> . It is an administrative agency acting on behalf of the Crown. Its principal address is: Portable Long Service Benefits Authority Level 1, 56-60 King Street Bendigo VIC 3550	1.1 Basis of preparation

1.1 Basis of preparation

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

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

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

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

These financial statements were authorised for issue by the Governing Board of the Authority on 24 August 2021. The Authority's reporting period is from 1 July 2020 to 30 June 2021. The reporting period for last year was from 1 July 2019 to 30 June 2020.

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:

- Investment income (Note 2.2.3);
- Employee benefits expense (Note 3.3);
- Portable long service benefits expense (Note 3.4); and
- Payables (Note 5.2).

Notes to the financial statements
For the financial year ended 30 June 2021

NOTE 2: FUNDING DELIVERY OF OUR SERVICES

Introduction	Structure
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. Income is recognised to the extent it is probable the economic benefits will flow to the Authority and the income can be reliably measured at fair value.	2.1 Summary of income that funds the delivery of our services 2.2 Income from transactions 2.2.1 Contributions from employers and contractors 2.2.2 Government grants 2.2.3 Investment income

2.1 Summary of income that funds the delivery of our services

	Notes	2021 (\$'000)	2020 (\$'000)
Contributions from employers and contractors	2.2.1	93,250	55,997
Government grants	2.2.2	692	6,236
Investment income	2.2.3	5,748	571
		99,690	62,804

Income is recognised net of goods and services tax (GST) to the extent it is probable the economic benefits will flow to the Authority and the income can be reliably measured at fair value. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes.

2.2 Income from transactions

2.2.1 Contributions from employers and contractors

	2021 (\$'000)	2020 (\$'000)
Community Services industry	69,267	38,206
Contract Cleaning industry	12,594	9,322
Security industry	11,389	8,469
	93,250	55,997

Income from employer and contractor contributions 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 Government grants

	2021 (\$'000)	2020 (\$'000)
Department of Premier and Cabinet	692	3,541
Department of Health and Human Services	-	2,695
	692	6,236

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to the Authority without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

2.2.3 Investment income

	2021 (\$'000)	2020 (\$'000)
Community Services industry	4,155	361
Contract Cleaning industry	818	110
Security industry	775	100
	5,748	571

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

Notes to the financial statements

For the financial year ended 30 June 2021

NOTE 3: THE COST OF DELIVERING OUR SERVICES

Introduction	Structure	
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.	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	2021 (\$'000)	2020 (\$'000)
Administration expenses	3.2	1,990	1,444
Employee benefits expense	3.3	4,711	3,740
Portable long service benefits expense	3.4	88,658	47,684
		95,359	52,868

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

3.2 Administration expenses

	2021 (\$'000)	2020 (\$'000)
Information technology costs	678	538
Office expenses	714	619
Professional services	514	242
Internal and external audit fees	84	45
	1,990	1,444

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

	2021 (\$'000)	2020 (\$'000)
Salaries and wages	3,856	2,971
Annual leave	363	295
Superannuation	363	264
Long service leave	129	210
	4,711	3,740

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

Notes to the financial statements

For the financial year ended 30 June 2021

NOTE 3: THE COST OF DELIVERING OUR SERVICES

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.

	2021 (\$'000)	2020 (\$'000)
<i>Current provisions:</i>		
Annual leave:		
Unconditional and expected to settle within 12 months	262	186
Unconditional and expected to settle after 12 months	70	-
Long service leave:		
Unconditional and expected to settle within 12 months	61	7
Unconditional and expected to settle after 12 months	307	182
Provisions for on-costs:		
Unconditional and expected to settle within 12 months	52	29
Unconditional and expected to settle after 12 months	60	20
Total current provisions for employee benefits	812	424
<i>Non-current provisions:</i>		
Employee benefits	49	98
On-costs	8	11
Total non-current provisions for employee benefits	57	109
Total provisions for employee benefits	869	533

Salaries and wages, annual leave and sick leave

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

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

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

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

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

Long service leave

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

The components of this current LSL liability are measured at:

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

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

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

Notes to the financial statements
For the financial year ended 30 June 2021

NOTE 3: THE COST OF DELIVERING OUR SERVICES

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.

	2021	2020
	(\$'000)	(\$'000)
Community Services industry	64,247	36,327
Contract Cleaning industry	12,519	6,595
Security industry	11,892	4,762
	88,658	47,684

3.4.2 Portable long service benefits in the balance sheet

Accrued portable long service benefits liability

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

- a) it has a present obligation as a result of a past event;
- b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) 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 in the balance sheet 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 balance sheet. In the context of a statutory scheme, this means the current liability is calculated on a conservative basis making the assumption all workers who have sufficient service to receive long service benefits leave the industry in which they are employed within the next 12 months and claim their entitlements.

	2021	2020
	(\$'000)	(\$'000)
Unconditional and expected to settle within 12 months	15,984	3,123
Unconditional and expected to settle after 12 months	120,358	44,561
Total accrued portable long service benefit liability	136,342	47,684

Accrued portable long service benefit liability:

Unconditional and expected to settle within 12 months

Unconditional and expected to settle after 12 months

Total accrued portable long service benefit liability

Reconciliation of the provision for accrued long service benefits 2020-2021

	Community Services (\$'000)	Contract Cleaning (\$'000)	Security (\$'000)	Total (\$'000)
Carrying amount as at beginning of the year	36,327	6,595	4,762	47,684
Provisions recognised	57,967	9,176	10,292	77,435
Accrued portable long service benefits	6,280	3,343	1,600	11,223

Carrying amount at the end of the year

2019-2020

	Community Services (\$'000)	Contract Cleaning (\$'000)	Security (\$'000)	Total (\$'000)
Carrying amount as at beginning of the year	-	-	-	-
Provisions recognised	26,034	3,740	3,356	33,130
Accrued portable long service benefits	10,293	2,855	1,406	14,554
Carrying amount at the end of the year	36,327	6,595	4,762	47,684

Portable long service benefits recognition and measurement

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

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

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.

Notes to the financial statements
For the financial year ended 30 June 2021

NOTE 3: THE COST OF DELIVERING OUR SERVICES

3.4 Portable long service benefits (continued)

3.4.2 Portable long service benefits in the balance sheet (continued)

Accrued portable long service benefit liability

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

Per annum:	Community Services	Contract Cleaning	Security
Industry Exit Rates	180 per 1000 (age 20) to 0 per 1000 (age 55+)	300 per 1000 (1 YoS) to 30 per 1000 (7+ YoS)	390 per 1000 (1 YoS) to 39 per 1000 (7+ YoS)
Death Rates	0.41/0.19 per 1000 (age 20) to 2.42/1.58 per 1000 (age 50+)		
Disability Rates	0.17 per 1000 (age 20) to 1.65 per 1000 (age 50)	0.17 per 1000 (age 20) to 1.66 per 1000 (age 50)	0.34 per 1000 (age 20) to 3.31 per 1000 (age 50)
Early Retirement	70 per 1000 (age 55) to 250 per 1000 (age 75)	75 per 1000 (age 55) to 250 per 1000 (age 75)	70 per 1000 (age 55) to 250 per 1000 (age 75)
Leave Utilisation Rates	13% of vested benefits p.a.	0.5 weeks (7-10 YoS) to 1 week (10+ YoS)	0.5 weeks (7-10 YoS) to 2 weeks (10+ YoS)
Discount Rate	5.5% p.a.	5.5% p.a.	5.5% p.a.
General Salary Inflation Rate	2.5% p.a.	2.5% p.a.	2.5% p.a.
Promotional Salary Inflation Rate	8% (age 21) to 1% (age 49)	2.5% (1-9 YoS) to 0% (10+YoS)	25% (1 YoS) to 0% (9+ YoS)

Note: YoS stands for Years of Service

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

Number of workers	Community Services		Contract Cleaning		Security	
	2021	2020	2021	2020	2021	2020
Total	114,853	78,736	38,212	25,420	19,131	14,189
Expected timing of settlement	Community Services		Contract Cleaning		Security	
	2021 (\$'000)	2020 (\$'000)	2021 (\$'000)	2020 (\$'000)	2021 (\$'000)	2020 (\$'000)
Not later than one year	11,060	1,912	2,354	781	2,570	430
Later than one year and not later than five years	41,109	18,222	9,533	2,273	8,769	3,364
Later than five years	48,405	16,193	7,227	3,541	5,315	968
Total	100,574	36,327	19,114	6,595	16,654	4,762

Commentary about the assumptions are provided below:

Exit Rates

The industry exit rates reflect exits other than death, disability and early retirement. While the Act does not have separate vesting conditions for the various forms of exits, different rates for each form of exit is provided to better understand drivers of exit behaviour in the future. It is noted that disabilities after age 55 are included in the early retirement decrement.

Leave Utilisation Rates

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

Salary Inflation Rates

The long term general salary inflation is set at 2.5% p.a. for Community Services, Contract Cleaning and Security industries.

An allowance has also been made for promotional salary increases.

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

Rates of Accrual of Service

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

Discount Rates

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

Expenses

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

Notes to the financial statements

For the financial year ended 30 June 2021

NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction	Structure
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.	4.1 Total property, plant and equipment and vehicles
	4.1.1 Total right-of-use building and 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 and vehicles

	2021	2020
	(\$'000)	(\$'000)
Property, plant and equipment and vehicles at fair value	798	792
Less accumulated depreciation	(536)	(263)
Net carrying amount	262	529

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: building and vehicles

	2021	2020
	(\$'000)	(\$'000)
Buildings at fair value	620	620
Less accumulated depreciation	(451)	(226)
	169	394
Vehicles at fair value	72	72
Less accumulated depreciation	(24)	(12)
	48	60
Net carrying amount	217	454
Opening balance - 1 July	454	620
Additions	-	72
Depreciation	237	238
Closing balance - 30 June	217	454

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 \$1,500 (2019-20: \$1,500) and a useful life of more than one year are recognised as an asset. All other assets acquired are expensed. Assets acquired at no cost or for nominal consideration by the Authority are recognised at fair value at the date of acquisition.

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

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

Subsequent measurement

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

The Authority depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment. The right-of-use assets are also subject to revaluation as required by FRD 1031 *Non-financial physical assets*.

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

Notes to the financial statements

For the financial year ended 30 June 2021

NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

4.1 Total property, plant and equipment and vehicles (continued)

4.1.2 Depreciation

	2021	2020
	(\$'000)	(\$'000)
Charge for the period		
Buildings	226	226
Plant, equipment and vehicles	48	37
Total depreciation	274	263

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:

Asset	2020-21 Useful Life	2019-20 Useful Life
Buildings - leased assets	3 years	3 years
Plant, equipment and vehicles (including leased assets)	2-3 years	2-3 years

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

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

4.2 Investments and other financial assets

2020- 2021	Community Services (\$'000)	Contract Cleaning (\$'000)	Security (\$'000)	Total (\$'000)
Current investments and other financial assets				
Term deposits:				
Australian dollar term deposits	11,398	2,219	2,092	15,709
Total current investment and other financial assets	11,398	2,219	2,092	15,709
Non-current investments and other financial assets				
Equities and managed investment schemes:				
Australian Equities	20,235	3,940	3,715	27,890
International Equities (not currency hedged)	19,739	3,843	3,624	27,206
Australian Bonds	15,692	3,055	2,881	21,628
US Bonds (currency hedged)	5,781	1,126	1,061	7,968
Australian Credit	6,442	1,254	1,183	8,879
Emerging Markets Debt (50% currency hedged)	3,304	643	606	4,553
Total non-current investment and other financial assets	71,193	13,861	13,070	98,124
Total investments and other financial assets	82,591	16,080	15,162	113,833
2019- 2020	Community Services (\$'000)	Contract Cleaning (\$'000)	Security (\$'000)	Total (\$'000)
Current investments and other financial assets				
Term deposits:				
Australian dollar term deposits	7,549	1,906	1,770	11,225
Total current investment and other financial assets	7,549	1,906	1,770	11,225
Non current investments and other financial assets				
Equities and managed investment schemes:				
Australian Equities	2,469	747	680	3,896
International Equities (not currency hedged)	2,469	747	680	3,896
Australian Bonds	2,148	650	591	3,389
US Bonds (currency hedged)	844	255	232	1,331
Australian Credit	941	285	259	1,485
Emerging Markets Debt (50% currency hedged)	331	100	91	522
Total non current investment and other financial assets	9,202	2,784	2,533	14,519
Total investments and other financial assets	16,751	4,690	4,303	25,744

Notes to the financial statements

For the financial year ended 30 June 2021

NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

4.2 Investments and other financial assets (continued)

Investments are held as units in wholesale pooled funds managed by an independent investment manager 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 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 investment trusts are managed by Victoria Funds Management Corporation (VFMC). The investment manager allocates funds in the underlying trust portfolio amongst the asset classes below:

- Australian and International fixed interest;
- Australian and International equities;
- Australian and International credit markets; and
- Australian cash.

4.2.1 Amounts recognised in profit and loss

During the year, the following gains were recognised in profit or loss:

	Community Services	Contract Cleaning	Security	Total
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
2020- 2021				
Change in fair value of investments	4,778	1,033	998	6,809
Total change in fair value of investments	4,778	1,033	998	6,809
2019- 2020				
Change in fair value of investments	(253)	(92)	(73)	(418)
Total change in fair value of investments	(253)	(92)	(73)	(418)

Notes to the financial statements

For the financial year ended 30 June 2021

NOTE 5: OTHER ASSETS AND LIABILITIES

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

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.

	2021	2020
	(\$'000)	(\$'000)
Current receivables		
<i>Contractual:</i>		
Accrued investment income	5,228	536
<i>Statutory:</i>		
Accrued employer levy contributions	27,147	17,171
Employer levy receivables	3,418	1,193
Amount owing from the Victorian Government	3	432
GST receivables	68	155
Total receivables	35,864	19,487

Receivables consist of:

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

Accrued investment income relates to the distribution of investment income from VFMC as at 30 June 2021 but received in July 2021.

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

Accrued employer levy contributions relate to an estimate of employer contributions for the Apr-Jun 2021 quarterly return due 31 July 2021.

Employer levy receivables is the outstanding employer contribution invoices as at 30 June 2021.

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

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

5.1.1 Movement in provision for impaired receivables

The Authority recognises an impairment where there is no reasonable expectation of recovering an amount owed by a debtor. As at 30 June 2021, impaired receivables were as follows:

	2021	2020
	(\$'000)	(\$'000)
Balance at the beginning of the year	-	-
Provision for impaired receivables recognised during the year	23	-
Closing provision balance at 30 June	23	-

Nature and extent of risk arising from receivables

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

Notes to the financial statements

For the financial year ended 30 June 2021

NOTE 5: OTHER ASSETS AND LIABILITIES

5.1 Receivables (continued)

5.1.2 Ageing analysis of contractual receivables

The ageing at 30 June 2021 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
2020- 2021						
Accrued investment income	5,228	-	-	-	-	-
Total receivables	5,228	-	-	-	-	-
2019- 2020						
Accrued investment income	536	-	-	-	-	-
Total receivables	536	-	-	-	-	-

Not past due and not impaired receivables relate to investment distributions from VFMC which were subsequently received in July 2021.

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 ATO is included as a current asset or liability in the Balance Sheet.

	2021 (\$'000)	2020 (\$'000)
Current payables		
<i>Contractual:</i>		
Trade payables	50	-
Accrued expenses	259	272
Total payables	309	272

Payables consists of:

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

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

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

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

5.2.1 Ageing analysis of contractual payables

The ageing at 30 June 2021 includes trade payables and accrued expenses. Statutory payables are excluded.

	Carrying Amount	Nominal Amount	Maturity Dates				
			Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	5+ years
2020- 2021							
Trade payables	50	50	50	-	-	-	-
Accrued expenses	259	259	259	-	-	-	-
Total payables	309	309	309	-	-	-	-
2019- 2020							
Trade payables	-	-	-	-	-	-	-
Accrued expenses	272	272	272	-	-	-	-
Total payables	272	272	272	-	-	-	-

Notes to the financial statements

For the financial year ended 30 June 2021

NOTE 6: FINANCING OUR OPERATIONS

Introduction	Structure	
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).	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

	2021 (\$'000)	2020 (\$'000)
Current borrowings		
Lease liabilities	191	249
Total current borrowings	191	249
Non-current borrowings		
Lease liabilities	30	210
Total non-current borrowings	30	210
Total borrowings	221	459

6.2 Leases

The Authority leases an office premise and motor vehicles. The lease contracts are typically made for fixed periods of 1-3 years. The Authority has an option to renew the office lease after three years with lease payments renegotiated to reflect market rentals.

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:

	2021 (\$'000)	2020 (\$'000)
Interest expense on lease liabilities	10	15
Expenses relating to short term leases	274	263
Total amount recognised in the comprehensive operating statement	284	278

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 2021 relating to leases:

	2021 (\$'000)	2020 (\$'000)
Total cash outflow for leases	238	233

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.

Notes to the financial statements

For the financial year ended 30 June 2021

NOTE 6: FINANCING OUR OPERATIONS

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 of use asset is already reduced to zero.

Presentation of right-of-use assets and lease liabilities

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

6.3 Cash flow information and balances

	2021	2020
	(\$'000)	(\$'000)
Cash and deposits		
Total cash and deposits disclosed in the balance sheet - Authority	7,885	5,817
Total cash and deposits disclosed in the balance sheet - Schemes	1,559	8,142
Balance as per cash flow statement	9,444	13,959
6.3.1 Reconciliation of net result for the period to cash flow from operating activities		
Net result for the period	10,882	9,273
Non-cash movements		
Depreciation and amortisation	274	263
Fair value (increase)/decrease in other financial assets	(6,809)	418
Net (gain)/loss on financial instruments	(1,081)	(67)
	3,266	9,887
Movements in assets and liabilities		
Decrease/(increase) in receivables	(16,377)	(17,756)
Decrease/(increase) in prepayments	9	(21)
(Decrease)/increase in payables	37	112
(Decrease)/increase in employee benefits	336	481
(Decrease)/increase in accrued portable long service benefits	88,658	47,684
Net cash flows from / (used in) operating activities	75,929	40,387

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

Notes to the financial statements

For the financial year ended 30 June 2021

NOTE 6: FINANCING OUR OPERATIONS

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 2021 totalled \$0.479 million (\$0.958 million in 2019-20). This amount is represented by one contract for the provision of licensed software, maintenance, support and cloud hosting managed services for a period of three years from 1 July 2019. Operating expenditure commitments under this contract are due and payable as follows:

	2021	2020
	(\$'000)	(\$'000)
Operating expenditure commitments		
Not later than one year	479	479
Later than one year and not later than five years	-	479
Total operating expenditure commitments	479	958
Less GST recoverable	44	87
Total operating expenditure commitments (excluding GST)	435	871

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 2 years of actual worker information available. As a result, the Authority has determined that a reserve for valuation assumption risks is appropriate within the Community Services, Contract Cleaning and Security schemes.

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

	2021	2020
	(\$'000)	(\$'000)
Reserves		
Balance at beginning of financial year	1,782	-
Transfer from/(to) accumulated surplus	5,036	1,782
Balance at end of financial year	6,818	1,782

Notes to the financial statements

For the financial year ended 30 June 2021

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

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

7.1 Financial instruments specific disclosures

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Authority currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2020-21 reporting period.

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).

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 payables 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.

Notes to the financial statements

For the financial year ended 30 June 2021

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

7.1 Financial instruments specific disclosures

7.1.3 Financial instruments: categorisation

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

	Contractual financial assets - receivables and cash (\$'000)	Contractual financial liabilities at amortised cost (\$'000)	Total (\$'000)
2020-2021			
<i>Contractual financial assets</i>			
Cash and cash deposits	9,444	-	9,444
Receivables (excluding statutory receivables)			
Accrued investment income	5,228	-	5,228
Total contractual financial assets	14,672	-	14,672
<i>Contractual financial liabilities</i>			
<i>Payables</i>			
Trade payables and accrued expenses (excluding statutory payables)	-	309	309
Borrowings	-	221	221
Total contractual financial liabilities	-	530	530

	Contractual financial assets - receivables and cash (\$'000)	Contractual financial liabilities at amortised cost (\$'000)	Total (\$'000)
2019-2020			
<i>Contractual financial assets</i>			
Cash and cash deposits	13,959	-	13,959
Receivables (excluding statutory receivables)			
Accrued investment income	536	-	536
Total contractual financial assets	14,495	-	14,495
<i>Contractual financial liabilities</i>			
<i>Payables</i>			
Trade payables and accrued expenses (excluding statutory payables)	-	272	272
Borrowings	-	459	459
Total contractual financial liabilities	-	731	731

7.1.4 Financial risk management objectives and policies

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

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

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

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

(a) Credit risk

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

The Authority minimises concentrations of credit risk by undertaking transactions with a large number of employers who must pay a levy for eligible 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.

There has been no material change to the Authority's credit risk profile in 2020-21.

Notes to the financial statements
For the financial year ended 30 June 2021

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

7.1.4 Financial risk management objectives and policies (continued)

(b) Market risk

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

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

(i) Interest rate risk

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

(ii) Other price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether these changes are caused by factors specific to the individual financial instrument or its issuer; or by factors affecting all similar financial instruments traded in the market. The price risk which the Authority is exposed to is significant and results from its investments. The Authority has investments which are managed by an independent investment manager, 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 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.

Table with 4 columns: Period, Carrying Amount, -15% Price Movement Profit/Equity, +15% Price Movement Profit/Equity. Rows for 2020-2021 and 2019-2020, including Financial assets and Total.

(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 2021 (30 June 2020, \$nil).

Notes to the financial statements
For the financial year ended 30 June 2021

NOTE 8: OTHER DISCLOSURES

Table with 2 columns: Introduction, Structure. Introduction describes the note's purpose. Structure lists items 8.1 to 8.6: Responsible persons, Remuneration of executives, Related parties, Events occurring after the balance date, Auditors remuneration, Australian Accounting Standards.

8.1 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the Financial Management Act 1994, the following disclosures are made regarding responsible persons for the reporting period. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the Department of Parliamentary Services' Financial Report.

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

Table with 4 columns: Name, Title, From, To. Lists responsible persons including The Hon. Tim Pallas MP, Julius Roe, Claire Filson, Emma King, Kate Marshall, Timothy Piper AM, Rachael Saunders, Julie Warren, Linda White, and Joseph Yeung.

Remuneration

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

Table with 3 columns: Income band (\$), 2021 No., 2020 No. Shows remuneration bands from \$20,000 to \$270,000 and total numbers for 2021 and 2020.

Remuneration received, or due and receivable, during 2020-21 by Responsible Persons including the Accountable Officer from the Authority in connection with the management of the Authority was \$508,640 (\$498,726 in 2019-20).

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 entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories:

- Short-term employee benefits include amounts such as wages, salaries, annual leave, cashed out annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services;
- Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased; and
- Other long-term benefits include long service leave, other long-service benefit or deferred compensation.

Table with 3 columns: Category, 2021 (\$'000), 2020 (\$'000). Rows include Remuneration of Executive Officers, Short-term employee benefits, Post-employment benefits, Other long-term benefits, Total remuneration, Total number of executives, and Total annualised employee equivalents.

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

Ⓑ Annualised employee equivalent is based on the time fraction worked over the reporting period.

Notes to the financial statements
For the financial year ended 30 June 2021

NOTE 8: OTHER DISCLOSURES

8.3 Related Parties

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

Related parties of the Authority include:

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

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

Significant transactions with government-related entities

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

	2021	2020
	(\$'000)	(\$'000)
Amounts recognised as revenue in the Comprehensive Operating Statement		
Entity and nature of transaction		
Department of Premier and Cabinet - Appropriation funding to establish the Authority	692	3,541
Department of Health and Human Services - Trust funding to establish the Authority	-	2,695
Total	692	6,236

Key management personnel

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

	2021	2020
	(\$'000)	(\$'000)
Compensation of Key Management Personnel ⁽ⁱ⁾⁽ⁱⁱ⁾		
Short-term employee benefits	463	454
Post-employment benefits	42	41
Other long-term benefits	4	4
Total	509	499

⁽ⁱ⁾ The Authority did not employ any KMPs as a contractor through an external service provider during the reporting period.

⁽ⁱⁱ⁾ 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 Auditors remuneration

Auditors remuneration for auditing the financial statements of the Authority excluding GST for 2020-21 has been set at \$35,000 (\$15,000 in 2019-20) by the Victorian Auditor-General Office. No other benefits were received or are receivable by the Victorian Auditor-General's Office.

Notes to the financial statements
For the financial year ended 30 June 2021

NOTE 8: OTHER DISCLOSURES

8.6 Australian Accounting Standards issued that are not yet effective

As at 30 June 2021, the following applicable standards and interpretations had been issued but were not mandatory for the financial year ending 30 June 2021. The Authority has not and does not intend to adopt these standards early.

Standard/ Interpretation ⁽ⁱ⁾	Summary	Effective date	Effective date for the entity	Estimated impact
AASB 17 Insurance Contracts	The new Australian standard seeks to eliminate inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities. AASB 2020-5 Amendments to Australian Accounting Standards - Insurance Contracts was issued in July 2020 with the intention to reduce the costs application and easing transition by deferring its effective date to annual periods beginning on or after 1 January 2023 instead of 1 January 2021. This standard currently does not apply to the not-for-profit public sector entities.	01/01/2023	01/07/2023	Based on a preliminary assessment by the Authority, there will be no significant impact.
AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified. AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date was issued in August 2020 and defers the effective date to annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022, with earlier application permitted. The Authority will not early adopt the Standard.	01/01/2023	01/07/2023	Based on a preliminary assessment by the Authority, there will be no significant impact.
AASB 2021-3 Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions beyond 30 June 2021	This Standard amends AASB 16 to extend by one year the application period of the practical expedient added to AASB 16 by AASB 2020-4 Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions. The practical expedient permits lessees not to assess whether rent concessions that occur as a direct consequence of the Covid-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications (e.g. account for as variable lease payment instead). This standard extends the practical expedient to rent concessions that reduce only lease payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.	01/04/2021	01/07/2021	Based on a preliminary assessment by the Authority, there will be no significant impact.

The following accounting pronouncements are also issued but not effective for the 2020-21 reporting period. At this stage, the preliminary assessment suggests they may have insignificant impacts on public sector reporting.

- AASB 2020-2 Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities
- AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-7 Amendments to Australian Accounting Standards - Covid-19-Rent Related Concessions: Tier 2 Disclosures
- AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2
- AASB 2020-9 Amendments to Australian Accounting Standards - Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments
- AASB 2021-1 Amendments to Australian Accounting Standards - Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definitions of Accounting Estimates

Notes to the financial statements

For the financial year ended 30 June 2021

NOTE 9: SCHEME INFORMATION

Introduction	Structure
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.	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	2021 (\$'000)	2020 (\$'000)
Income from transactions			
Contributions from employers and contractors	2.2.1	69,267	38,206
Investment income	2.2.3	4,155	361
Interest		8	19
Net gain/(loss) on financial instruments	4.2.1	4,778	(252)
Total income from transactions		78,208	38,334
Expenses from transactions			
Portable long service benefits expense	3.4.1	64,247	36,327
Administration expenses		5,689	2,337
Total expenses from transactions		69,936	38,664
Net result from transactions (net operating balances)		8,272	(330)
Net result before other economic flows		8,272	(330)
Comprehensive result		8,272	(330)

9.1.2 Balance sheet

ASSETS			
Current assets			
Cash and deposits	6.3	851	5,705
Receivables	5.1	25,106	13,571
Investments and other financial assets	4.2	11,398	7,549
Total current assets		37,355	26,825
Non-current assets			
Investments and other financial assets	4.2	71,193	9,202
Total non-current assets		71,193	9,202
TOTAL ASSETS		108,548	36,027
LIABILITIES			
Current liabilities			
Payables	5.2	32	30
Accrued portable long service benefits	3.4.2	11,060	1,912
Total current liabilities		11,092	1,942
Non-current liabilities			
Accrued portable long service benefits	3.4.2	89,514	34,415
Total non-current liabilities		89,514	34,415
TOTAL LIABILITIES		100,606	36,357
NET ASSETS		7,942	(330)
EQUITY			
Reserves	6.5	5,029	-
Accumulated surplus/(deficit)		2,913	(330)
NET WORTH		7,942	(330)

Notes to the financial statements

For the financial year ended 30 June 2021

NOTE 9: SCHEME INFORMATION

9.2 Contract Cleaning scheme

9.2.1 Comprehensive operating statement

	Notes	2021 (\$'000)	2020 (\$'000)
Income from transactions			
Contributions from employers and contractors	2.2.1	12,594	9,322
Investment income	2.2.3	818	110
Interest		2	6
Net gain/(loss) on financial instruments	4.2.1	1,033	(92)
Total income from transactions		14,447	9,346
Expenses from transactions			
Portable long service benefits expense	3.4.1	12,519	6,595
Administration expenses		892	571
Total expenses from transactions		13,411	7,166
Net result from transactions (net operating balances)		1,036	2,180
Net result		1,036	2,180
Comprehensive result		1,036	2,180

9.2.2 Balance sheet

ASSETS			
Current assets			
Cash and deposits	6.3	574	1,163
Receivables	5.1	5,697	2,926
Investments and other financial assets	4.2	2,219	1,906
Total current assets		8,490	5,995
Non-current assets			
Investments and other financial assets	4.2	13,861	2,784
Total non-current assets		13,861	2,784
TOTAL ASSETS		22,351	8,779
LIABILITIES			
Current liabilities			
Payables	5.2	21	4
Accrued portable long service benefits	3.4.2	2,354	781
Total current liabilities		2,375	785
Non-current liabilities			
Accrued portable long service benefits	3.4.2	16,760	5,814
Total non-current liabilities		16,760	5,814
TOTAL LIABILITIES		19,135	6,599
NET ASSETS		3,216	2,180
EQUITY			
Reserves	6.5	956	818
Accumulated surplus		2,260	1,362
NET WORTH		3,216	2,180

Notes to the financial statements

For the financial year ended 30 June 2021

NOTE 9: SCHEME INFORMATION			
9.3 Security scheme			
9.3.1 Comprehensive operating statement			
	Notes	2021	2020
		(\$'000)	(\$'000)
Income from transactions			
Contributions from employers and contractors	2.2.1	11,389	8,469
Investment income	2.2.3	775	100
Interest		1	6
Net gain/(loss) on financial instruments	4.2.1	998	(73)
Total income from transactions		13,163	8,502
Expenses from transactions			
Portable long service benefits expense	3.4.1	11,892	4,762
Administration expenses		857	523
Total expenses from transactions		12,749	5,285
Net result from transactions (net operating balances)		414	3,217
Net result		414	3,217
Comprehensive result		414	3,217
9.3.2 Balance sheet			
ASSETS			
Current assets			
Cash and deposits	6.3	134	1,274
Receivables	5.1	4,990	2,403
Investments and other financial assets	4.2	2,092	1,770
Total current assets		7,216	5,447
Non-current assets			
Investments and other financial assets	4.2	13,070	2,533
Total non-current assets		13,070	2,533
TOTAL ASSETS		20,286	7,980
LIABILITIES			
Current liabilities			
Payables	5.2	1	1
Accrued portable long service benefits	3.4.2	2,570	430
Total current liabilities		2,571	431
Non-current liabilities			
Accrued portable long service benefits	3.4.2	14,084	4,332
Total non-current liabilities		14,084	4,332
TOTAL LIABILITIES		16,655	4,763
NET ASSETS		3,631	3,217
EQUITY			
Reserves	6.5	833	964
Accumulated surplus		2,798	2,253
NET WORTH		3,631	3,217

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