



# Annual Report 2024-25

Long Service Leave Authority



The ACT Government acknowledges the Ngunnawal people as traditional custodians of the ACT and recognise any other people or families with connection to the lands of the ACT and region. We acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region.



**ACT**  
Government





The Long Service Leave Authority acknowledges the Ngunnawal people as traditional custodians of the ACT and recognise any other people or families with connection to the lands of the ACT and region.

We respect the Aboriginal and Torres Strait Islander people, particularly our Aboriginal staff, and their continuing culture and contribution they make to the Canberra region and the life of our city.

## Contact for this report

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## Freedom of information

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IBSN: 978-0-642-60765-2

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Information about the Long Service Leave Authority and an electronic version of this annual report can be found on the website [actleave.act.gov.au](http://actleave.act.gov.au)



# Contents

Contact for this report .....	3
Freedom of information.....	3
Accessibility .....	3
<b>Part A. Transmittal Certificate and Compliance Statement.....</b>	<b>7</b>
Transmittal Certificate .....	8
Compliance Statement .....	9
<b>Part B. Organisational Overview and Performance.....</b>	<b>11</b>
B1. Organisation overview.....	12
B2. Performance analysis.....	21
B3. Scrutiny.....	34
B4. Risk management .....	34
B5. Internal audit.....	35
B6. Fraud prevention .....	35
B7. Freedom of information (FOI) .....	36
B8. Community engagement and support.....	36
B9. Aboriginal and Torres Strait Islander reporting.....	36
B10. Disability inclusion reporting.....	36
B11. Multiculturalism reporting .....	36
B12. Period Products and Facilities (Access) Act reporting.....	37
B13. Work health and safety .....	37
B14. Human resources management.....	38
B15. Ecological sustainability reporting.....	41
<b>Part C. Financial Management Reporting .....</b>	<b>43</b>
C1. Management discussion and analysis .....	44
C2. Financial statements .....	53
C3. Capital works.....	114
C4. Asset management.....	114
C5. Government contracting .....	114
C6. Statement of performance .....	116
<b>Part D. Whole of Government Annual Reporting.....</b>	<b>123</b>
D1. Bushfire risk management.....	124
D2. Human rights .....	124
D3. Legal services directions.....	125
D4. Territory records .....	125



# Part A

Transmittal Certificate  
and Compliance  
Statement



# Transmittal Certificate



**ACT**  
Government



Mr Michael Pettersson MLA  
Minister for Skills, Training and Industrial Relations  
ACT Legislative Assembly  
London Circuit  
CANBERRA ACT 2601

Dear Minister

## 2024-25 Long Service Leave Authority Annual Report

This report has been prepared in accordance with section 7(2) of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements under the Annual Report Directions.

It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by the Long Service Leave Authority (ACT Leave).

We certify that the information in the attached annual report, and information provided for whole of government reporting, is an honest and accurate account and that all material information on the operations of ACT Leave has been included for the period 1 July 2024 to 30 June 2025.

We also hereby certify that fraud prevention has been managed in accordance with the *Public Sector Management Standards 2006 (repealed)*, Part 2.3 (see section 113, Public Sector Management Standards 2016).

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you present the Report to the Legislative Assembly within 15 weeks after the end of the reporting year.

Yours sincerely

Anne O'Donnell  
Chair  
25 September 2025

Cassandra Webeck  
Chief Executive Officer  
25 September 2025

## Compliance Statement

The 2024-25 Long Service Leave Authority Annual Report must comply with the Annual Report Directions (the Directions) made under section 8 of the *Annual Reports (Government Agencies) Act 2004*. The Directions are found at the ACT Legislation Register: [www.legislation.act.gov.au](http://www.legislation.act.gov.au).

The Compliance Statement indicates the subsections, under Parts 1 to 5 of the Directions, that are applicable to the Long Service Leave Authority (ACT Leave) and the location of information that satisfies these requirements:

### Part 1 Directions overview

The requirements under Part 1 of the Directions relate to the purpose, timing and distribution, and records keeping of annual reports. The 2024-25 Long Service Leave Authority Annual Report complies with all subsections of Part 1 under the Directions.

To meet Section 15 Feedback, Part 1 of the Directions, contact details for ACT Leave are provided within the 2024-25 Long Service Leave Authority Annual Report to provide readers with the opportunity to provide feedback.

### Part 2 Reporting entity annual report requirements

The requirements within Part 2 of the Directions are mandatory for all reporting entities and ACT Leave complies with all subsections. The information that satisfies the requirements of Part 2 is found in the 2024-25 Long Service Leave Authority Annual Report as follows:

- A. Transmittal Certificate, see page 8
- B. Organisational Overview and Performance, inclusive of all subsections, see pages 11-42
- C. Financial Management Reporting, inclusive of all subsections, see pages 43-122.

### Part 3 Reporting by exception

ACT Leave has nil information to report by exception under Part 3 of the Directions for the 2024-25 reporting year.

### Part 4 Directorate and public sector body specific annual report requirements

ACT Leave has nil information to report by exception under Part 4 of the Directions for the 2024-25 reporting year.

### Part 5 Whole of Government annual reporting

All subsections of Part 5 of the Directions apply to ACT Leave. Consistent with the Directions, the information satisfying these requirements is reported in the one place for all ACT Public Service directorates, as follows:

- Bushfire Risk Management, see the annual report of the Justice and Community Safety Directorate
- Human Rights, see the annual report of the Justice and Community Safety Directorate
- Legal Services Directions, see the annual report of the Justice and Community Safety Directorate
- Public Sector Standards and Workforce Profile, see the annual State of the Service Report
- Territory Records, see the annual report of Chief Minister, Treasury and Economic, Development Directorate.

ACT Public Service Directorate annual reports are found at the following web address:

<https://www.act.gov.au/open/annual-reports>



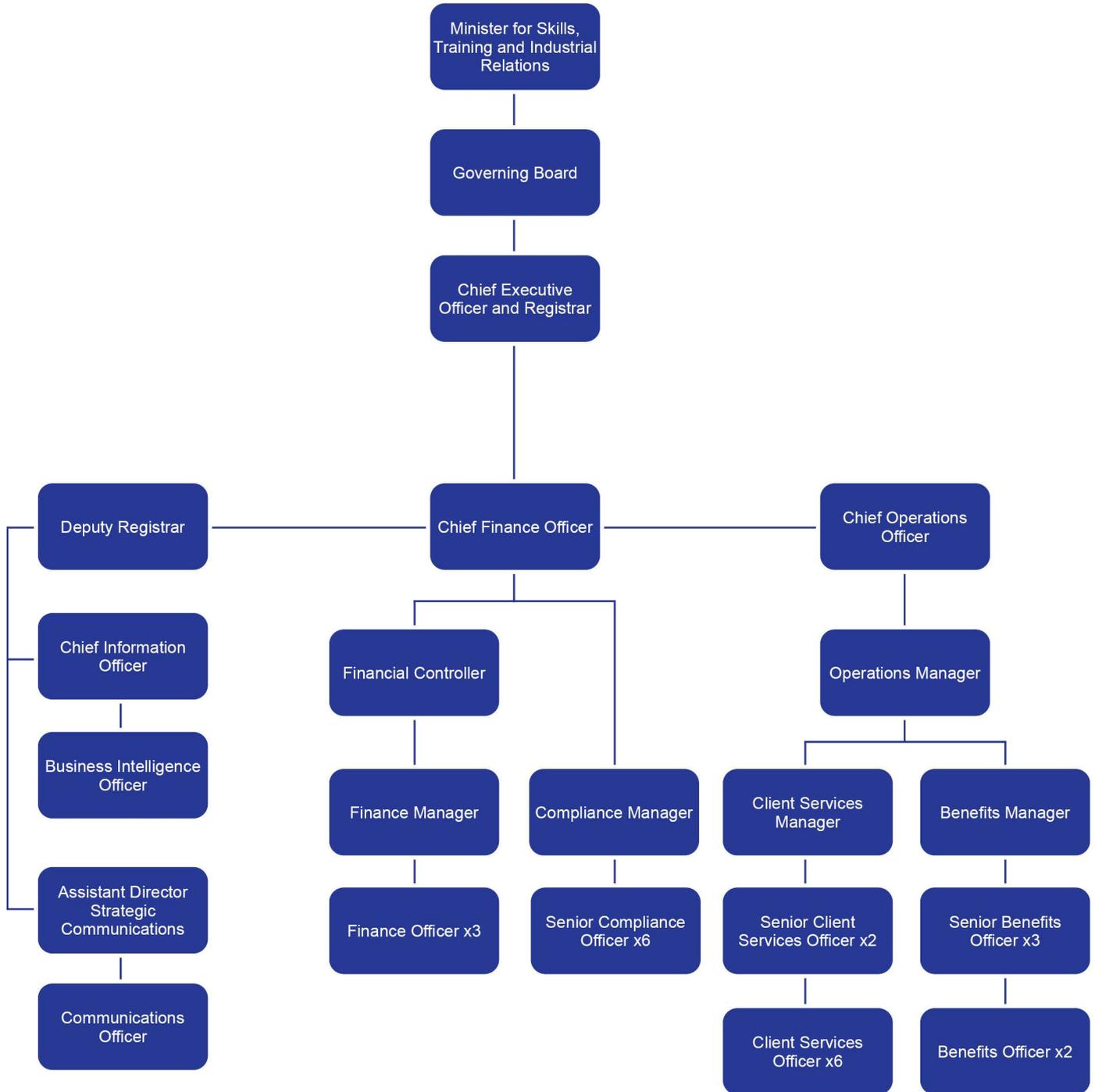
# Part B

Organisational Overview  
and Performance



# B1. Organisation overview

## Organisation chart



## Role of ACT Leave

The Long Service Leave Authority (ACT Leave) was established in 2010 under the *Long Service Leave (Portable Schemes) Act 2009* (the Act) to administer portable long service leave benefits for the Building and Construction Industry Scheme, Security Industry Scheme, Community Sector Industry Scheme, and the Services Industry Scheme, which from 1 July 2026 will combine the existing contract cleaning industry with the hairdressing and beauty services industry and the accommodation and food services industry. The key functions of ACT Leave, as set out under the Act, are to:

- Administer portable long service leave benefit schemes established under the Act
- Make payments under the Act
- Keep the employers register and workers register for covered industries.

Our primary objectives are to ensure that:

- All eligible employers and employees are registered with ACT Leave
- Long service leave payments to employees and contractors, and reimbursements to employers, are made in accordance with the Act
- Employers' contribution levies are collected efficiently and effectively
- Long service leave funds are invested prudently, with the objective of ensuring a modest long-term surplus of assets over liabilities in matured schemes.

## Vision, role and values

ACT Leave's Strategic Plan 2023-2026 sets out the vision, role and values of ACT Leave and defines its goals. Our vision is that 'Portable long service leave is universally understood and considered an important and accepted part of the employment landscape', and our goals which underpin our efforts are to:

- Create a user experience where every stakeholder feels informed, connected, and supported.
- Raise awareness through targeted marketing and communications campaigns.
- Equip employers and workers with the information and tools to manage their obligations and entitlements.
- Effectively and efficiently operationalise government policy.
- Establish an operational structure to support growth, extend leadership capability and create opportunity.
- Be recognised as an employer of choice.

In addition to the ACT Public Service values of Respect, Integrity, Collaboration and Innovation, the values which guide the work of ACT Leave and set the expectations of staff are:

- Responsive - We respond to you quickly and make your experience as smooth and stress-free as possible.
- Approachable - Our team is here to help you navigate the complexities of portable long service leave entitlements with ease.
- Reliable - We always do what we say we will do. We're here to help and you can count on us to deliver.
- Transparent - We're dedicated to ensuring you have a clear understanding of leave entitlements and scheme obligations and how these are managed.
- Informed - We remain up to date with the latest developments in the industry and communicate that knowledge clearly and concisely.

## **2024-25 in review**

### **Stakeholder engagement**

A key priority for ACT Leave in 2024-25 has been preparations for the introduction of the Services Industry Scheme, which commenced on 1 April 2025 with the transition of the Contract Cleaning Industry, and will expand to the new industries of hairdressing and beauty services and food and accommodation services on 1 July 2026. Of particular importance has been communication and stakeholder engagement, with a new engagement strategy developed to support the entry of the new industries. The extended commencement afforded ACT Leave opportunity to increase engagement with employers expected to be covered under the Services Industry Scheme with key engagement activities including business site visits, one-on-one meetings with medium-large sized employers, provision of direct support to peak bodies working with employers in covered industries, and liaison with relevant unions to ensure appropriate support of workers working in covered industries.

ACT Leave's engagement efforts have been supported by the development of more targeted marketing and communications materials including website content, video animations, an eligibility assessment tool to assist with assessing coverage of employers and workers, information packs, and communications kits for employers, peak bodies and unions. The one-on-one stakeholder meetings, and business site visits have provided important input to ACT Leave's development of marketing and communications materials, ensuring the materials developed meet the requirements of our stakeholders.

### **Business transformation**

Another key area of focus for ACT Leave during 2024-25 has been business improvement initiatives with the implementation and launch of a new Customer Relationship Management (CRM) System on 4 December 2024 to support the administration of portable long service leave. This project was a key deliverable under the Strategic Plan 2023-2026, aimed at enhancing client self-service capabilities, improving information security, and driving operational efficiencies.

ACT Leave's Operations Team has been engaged in a comprehensive business process mapping exercise to document new processes and procedures managed within the administration system with a focus on process improvement and efficiency. This work will extend to the Finance and Compliance Teams during the 2025-26 financial year.

### **Operations**

ACT Leave continues to experience a slight uptick in benefit claims, with a 0.09% increase in the number of benefit payments processed in 2024-25 compared with 2023-24. This increase is attributed to the maturity of the schemes and a stronger awareness of portable long service leave as a result of our ongoing engagement efforts.

Registered employers experienced a net decrease in 2024-25 by 0.67%, with this decrease only evident in the Building and Construction Industry (2.56%) while all other schemes saw an increase. This is the first time in ten years there has been a decrease in registered employers in the Building and Construction Industry, which is likely due to ongoing pressures in the sector. The number of active workers increased by 2.36%, with new and returning employer registrations decreasing by 24.9%.

ACT Leave performed well against the Key Performance Indicators set out in the Statement of Intent, particularly as the organisation navigated challenges associated with the implementation of the new administration system which impacted the first quarterly return period. This implementation was particularly challenging as it required onboarding approximately 3,000 employers and more than 70,000 active workers.

Operational highlights during 2024-25 include:



## Governance

2024-25 was a challenging year for ACT Leave's Governing Board in terms of timing of resignations and the completion of terms. The Board farewelled Ms Anna Whitty one of our members representing employer organisations in November 2024, Ms Liesl Centenera, the independent Deputy Chair (who also served as the Chair of the Audit and Risk Committee) in January 2025, and Ms Erryn Cresshull, one of our longest serving members representing employee organisations in May 2025. ACT Leave and the Governing Board recognises the contribution that each former Board member made to ACT Leave, and thanks them for their support.

In May 2025, ACT Leave and the Governing Board welcomed new Board members Ms Roslyn Jackson, as the independent Deputy Chair of the Board and Chair of the Audit and Risk Committee—replacing Ms Liesl Centenera, Mr Pierre Huetter, as a member representing employer organisations—replacing Ms Anna Whitty, and Ms Pema Choden, as a member representing employee organisations—replacing Ms Erryn Cresshull.

## Investments

With an important responsibility for ensuring funds are available within the portable long service leave schemes to support future liabilities, ACT Leave's investment portfolio ended the financial year in a strong position with an annualised net return of 13.74%, following on from a final year result of 12.31% in 2023-24.

Investment returns for all schemes, averaged over a rolling five-year period are 10.57%, remaining above the target of 5.93%. The Governing Board monitored the assets over liabilities ratios in 2024-25 with the ratios for all schemes remaining above the target of 110%. Increases were made to the levy rates applied to the Building and Construction Industry Scheme, the Community Sector Scheme, and the Security Industry Scheme to ensure that the ratio remained above 110% over the five-year projection period.

ACT Leave completed a planned transition to ethically conscious funds at the end of December 2024.

## Internal accountability

Under the *Financial Management Act 1996* and ACT Leave's enabling legislation, the *Long Service Leave (Portable Schemes) Act 2009* (the Act), the Governing Board provides oversight of the governance of the organisation. Members of the Governing Board are appointed by the Minister for Skills, Training and Industrial Relations and comprise an independent Chair, an independent Deputy Chair, two members representing employee organisations and two members representing employer organisations for the industries covered under the portable long service leave schemes. The Chief Executive Officer of ACT Leave is also a non-voting member of the Governing Board. The resources that are available to Board members to assist them in carrying out their duties include access to training facilitated by ACT Leave and access to independent professional or legal advice.

The Governing Board met six times during the year, with meetings held in accordance with the established schedule to oversee the operation, and monitor the performance, of ACT Leave. In addition to the standard meetings, the Governing Board also held a strategic planning workshop in December 2024 to consider ACT Leave's progress against the Strategic Plan 2023-2026, the impact of externalities such as the political, economic, technological and social environment, and determine whether adjustments to the Strategy were required.

Governing Board members are remunerated in accordance with determinations made by the ACT Remuneration Tribunal. The Chief Executive Officer, who also serves as the Registrar of ACT Leave is appointed by the Governing Board and remunerated under the *Public Sector Management Act 1994*. Governing Board members make a significant contribution to the performance of ACT Leave through their participation at Board meetings and work undertaken throughout the year on behalf of ACT Leave and the stakeholder groups they represent.

Established as a sub-committee of the Governing Board, ACT Leave's Audit and Risk Committee meets four times each year with an additional special meeting to review the Financial Statements. As a Committee of the Governing Board, the Audit and Risk Committee is positioned to provide expert advice to the Governing Board across its areas of responsibility, which includes oversight of ACT Leave's internal and external audits, risk management framework, and legislative compliance. The Committee is also charged with reviewing the financial information presented by management and determining the adequacy of ACT Leave's internal control framework, encapsulating administrative, operating and accounting controls.

The Chief Executive Officer is supported by an Executive Team comprising the Deputy Registrar, Chief Finance Officer, Chief Operations Officer and Chief Information Officer, who have portfolio responsibilities spanning:

- Governance including risk management and legislative compliance
- Delivery of organisational strategy
- Finance and investment management
- Scheme administration activities
- Scheme compliance
- Procurement and contract management
- Government and ministerial relations
- Customer service
- ICT and Security
- Corporate support services (communications and engagement, HR, records management, facilities, information requests, etc.)

As prescribed in the *Financial Management Act 1996*, ACT Leave prepares an annual Statement of Intent agreed between the Chair of the Governing Board, the responsible Minister and the ACT Treasurer. The Statement of Intent outlines ACT Leave's financial forecast, business priorities, performance measures and key risks. A Statement of Performance report against the performance measures specified in the Statement of Intent is prepared each year, endorsed by the Chair of the Governing Board and reviewed by the ACT Auditor-General's

Office. The annual Financial Statements and Statement of Performance are reviewed by the Audit and Risk Committee, signed by the Chair of the Governing Board and audited by the ACT Auditor-General. Refer to C2. Financial Statements, pages 53-113, and C6. Statement of Performance for further information, pages 116-122.

Attendance by Governing Board members at meetings of the Governing Board and Audit and Risk Committee for the year is provided in the following table.

## Governing Board and Audit and Risk Committee meetings

The following table sets out the number of Governing Board and Audit and Risk Committee Meetings held during 2024-25 and the number of meetings attended by each Member (while they were a member of the relevant Committee).

MEMBERS	GOVERNING BOARD		AUDIT & RISK COMMITTEE	
	A	B	A	B
CURRENT				
Ms A O'Donnell	6	6	4	4
Ms R Jackson	1	0	1	0
Mr J Bolitho	6	5	N/A	N/A
Mr M Capezio	6	6	4	4
Mr P Huetter	1	1	N/A	N/A
Ms P Choden	1	0	N/A	N/A
Ms C Webeck	5	5	4	4
FORMER MEMBERS				
Ms L Centenera	4	3	2	1
Ms A Whitty	2	0	N/A	N/A
Ms E Cresshull	5	4	N/A	N/A
Ms T Savage	5	1	3	0

A = Meetings eligible to attend

B = Meetings attended

N/A = Not applicable

Note: Ms Tracy Savage, former Chief Executive Officer and Registrar of ACT Leave commenced long service leave on 30 September 2024 and resigned from the position with effect 30 April 2025.

## **Governing Board membership**

### **Anne O'Donnell, Independent Chair, Member Audit and Risk Committee**

Appointed on 26 January 2022 for a period of 3 years, reappointed on 26 January 2025 for a period of 1 year.

Anne is an experienced executive and non-executive director in the listed, not-for-profit and mutual sectors with more than 40 years' experience in the finance sector. Anne is a director of the Motor Trades Association of Australia Superannuation Fund Pty Ltd and the Winston Churchill Memorial Trust. She is also an external member of the National Capital Authority Audit Committee and the Department of Education Audit and Assurance Committee and an independent member of the UBS Global Asset Management (Australia) Ltd Compliance Committee.

Former roles include Managing Director of Australian Ethical Investment Ltd, Chair of Beyond Bank, Director of Equity Trustee Holdings Ltd, the Financial Services Council, the Centre for Australian Ethical Research Pty Ltd, the ANZ Staff Superannuation Fund, the Grain Growers Association Ltd, Agricultural Innovation Australia Pty Ltd, the Australian Institute of Company Directors and Australian Banking Association representative on the Banking Code Compliance Committee.

Anne brings to the Board extensive knowledge of the banking, investment and wealth management industries.

### **Roslyn Jackson, Independent Deputy Chair, Chair Audit and Risk Committee**

Appointed on 20 May 2025 for a period of four years.

Roslyn is a Fellow Chartered Accountant with more than 30 years of experience and a Fellow of the Governance Institute of Australia, Roslyn is a sought-after accounting and financial management consultant. She has held senior executive positions within the Australian Government and the private sector.

Roslyn's expertise in Public Financial Management has taken her to Africa to advise central governments of developing countries. She is also a highly experienced trainer and facilitator who has presented throughout Asia, the Middle East and Africa.

Roslyn is passionate about educating company directors and improving governance and board value-add in the not-for-profit sector. Roslyn has facilitated, written and reviewed materials for the Australian Institute of Company Directors (AICD) since 1995. Her expertise covers both public and private sector governance, risk and strategy and financial literacy.

As a Fellow of the AICD, Roslyn now leverages her 30 years of experience in non-executive director roles to give back to the community. She is an experienced Board and Audit Committee Chair who has held positions in the not-for-profit health and education sectors, Government Boards and Australian Government Audit and Risk Committees.

### **Liesl Centenera, Independent Deputy Chair, Chair Audit and Risk Committee**

Appointed on 25 January 2019 for a period of 3 years, reappointed on 26 January 2022 for a period of 3 years and term completed on 25 January 2025.

Liesl is an experienced company director, having held positions across the private, not-for-profit and government sectors. Her areas of expertise are public sector governance, strategic HR, executive development, employee performance and accountability, and workforce planning. She has had an extensive career in the community and public sectors, including senior roles in the Commonwealth, ACT Government and the United Kingdom.

Liesl holds degrees in economics and law and is admitted to practice in the ACT Supreme Court. She attended the China Executive Leadership Academy in Pudong (Shanghai) as a visiting student and is an alumnus of the Australian Leadership Innovation Centre. She is a Graduate of the Australian Institute of Company Directors and is a Professional Associate of the Faculty of Business, Government and Law at the University of Canberra.

### **Pema Choden, Member representing employee organisations**

Appointed on 20 May 2025 for a period of four years.

Pema is an organiser with the United Workers Union and a dedicated advocate for the rights of low-paid and vulnerable workers. Since completing her Master degree in Educational Studies at the University of Canberra in 2016, Pema has worked tirelessly within the union movement to improve the lives of working people.

With a strong commitment to social justice, Pema is actively involved in campaigns that aim to secure permanent, reliable jobs for workers—ensuring they have employment they can count on. She has extensive experience working with union members in the cleaning and security sectors and has represented their interests to employers, industrial tribunals, and political leaders.

Pema also plays a key role in organising community outreach and education for migrant workers, helping them understand their rights while living, studying, and working in Australia. Her work empowers migrant communities to navigate the workplace with confidence and dignity.

In addition to her union work, Pema serves as the Health and Safety Representative (HSR) for her office in Canberra, further reflecting her commitment to creating safe, fair, and inclusive workplaces.

### **Joshua Bolitho, Member representing employee organisations**

Appointed on 9 May 2023 for a period of four years.

Josh is the Branch President of the Construction, Forestry, Maritime, Mining and Energy Union, Construction and General Division, ACT Branch.

Josh has a wealth of experience representing workers in the construction industry and provides valuable insight into the needs of construction workers. Josh is experienced in industrial and legal compliance, and the enforcement of employee entitlements in the construction industry and uses his practical understanding of how those processes affect workers to guide the Board's approach to ensuring members are able to access their entitlements.

Josh is also a member of the ACT Regional Building & Construction Industry Training Council.

### **Erryn Cresshull, Member representing employee organisations**

Appointed on 3 April 2015 for a period of four years, reappointed on 9 April 2019 for a period of two years, reappointed on 6 May 2021 for a period of four years, and term completed on 5 May 2025.

Erryn is a Coordinator for Food and Beverages with the United Workers Union. Erryn is a committed unionist and is responsible for advocating for the rights of low paid and vulnerable workers. Erryn has worked in the union movement in various organising and legal roles for over 20 years and has extensive experience working with the union's cleaning and security members and has represented their interest to employers, tribunals, and politicians.

Erryn has served on ACT Leave's Governing Board since April 2015.

### **Michael Capezio, Member representing employer organisations, Member Audit and Risk Committee**

Appointed on 22 March 2024 for a period of four years.

Michael was appointed in March 2024 and has had a long association with the Hospitality Industry within the ACT. He has a broad understanding of the issues facing the Hospitality industry.

Michael is also involved in the building industry within the ACT and is a director of a number of building services entities.

Michael is also a fellow of the Institute of Chartered Accountants and a member of the Australian Institute of Company Directors

**Pierre Huetter, Member representing employer organisations**

Appointed on 20 May 2025 for a period of four years.

Pierre Huetter brings extensive experience in leadership, strategy, and stakeholder engagement across public and private sectors. In his current executive role, he is responsible for comprehensive operational oversight, including key business functions and industry advocacy. His diverse background encompasses significant roles in project management, government relations, and urban planning, where he contributed to major initiatives and policy development. Pierre's commitment to community and governance is further evidenced by his current and past board memberships with various organisations, including the Canberra Business Chamber, the Canberra YMCA and Karinya House, highlighting a career dedicated to strategic leadership and impactful contributions.

**Anna Whitty, Member representing employer organisations**

Appointed on 19 April 2019 for a period of four years, reappointed on 9 May 2024, and resigned on 19 November 2024.

During her career, Anna has held a range of roles, including executive roles, in early childhood and community service organisations in both NSW and the ACT. Anna is an experienced early childhood teacher and leader with a strong commitment to leadership that enables professionals to be fearless in standing up for social justice for children, young people, and women. Anna has demonstrated expertise in driving organisational change to improve quality improvements in service delivery, governance, and culture.

Anna is a graduate of the Australian Institute of Company Directors.

**Tracy Savage, Chief Executive Officer and Registrar, ACT Leave**

Resigned on 30 April 2025.

Tracy has held several senior executive roles in the Commonwealth and ACT Government for over 17 years and has over 25 years' experience in defined benefits superannuation administration. She has served on senior Government Boards and Committees and has been the CEO/Registrar of the Long Service Leave Authority since August 2015. Tracy is also currently a member of the ACT Public Trustee and Guardian Investment Board.

Tracy holds an Executive Master of Public Administration.

**Cassandra Webeck, Acting Chief Executive Officer and Registrar, ACT Leave**

Acting since 30 September 2024.

Cassandra Webeck is the Acting Chief Executive Officer and Registrar for the Long Service Leave Authority. With a career spanning the not-for-profit, higher education, and government sectors, Cassandra is a seasoned senior executive experienced in establishing and managing corporate operations, with expertise in governance, risk management, and compliance. As an experienced governance practitioner, Cassandra has served on several not-for-profit and higher education sector Boards and sub-committees where she has focused on building accountability, promoting continuous improvement, and supporting effective decision making.

Cassandra is a graduate member of the Australian Institute of Company Directors and holds a Master of Public Policy (Industry Strategy), a Master of Knowledge Management, and a Bachelor of Asian Studies (Indonesian).

## B2. Performance analysis

### Operational performance

#### Building and Construction Industry Scheme Employer and employee statistics

The overall number of registered active workers (employees, contractors and apprentices) in the Building and Construction Industry Scheme decreased by 2.24% during the reporting period, with a 1.39% increase in the number of active employees and contractors. There was a significant decrease of 36% in the number of registered apprentices in 2024-25, following an 11.64% increase the previous year. There was also a decrease of 2.56% in the number of employers registered in the scheme from the previous financial year.

**Figure 1. Building and Construction Industry employer and employee registration statistics**

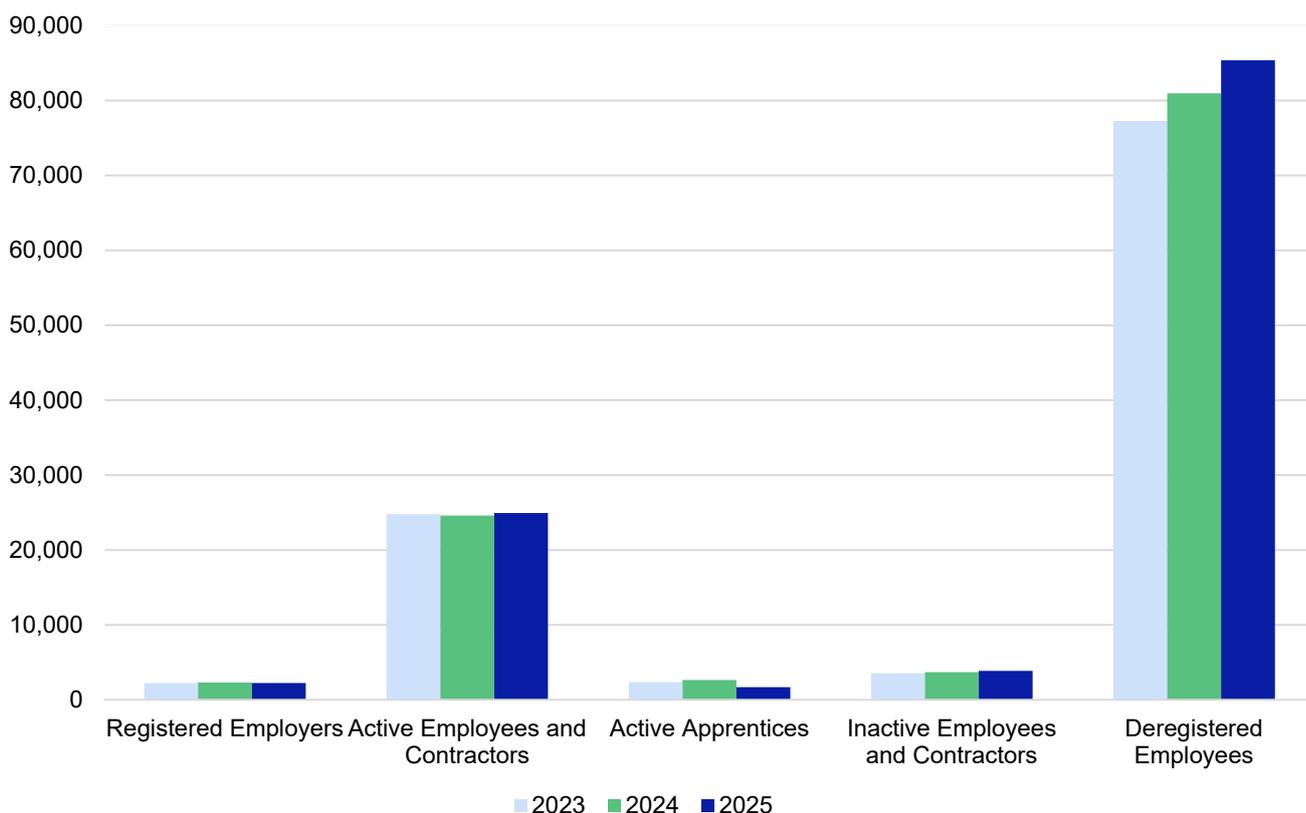


Image description: Figure 1 is a bar graph that measures the number of registered employers, active employees and contractors, active apprentices, and inactive employees and contractors each year from 2023 to 2025 in the Building and Construction Industry Scheme, as well as the cumulative total of deregistered employees since the scheme commenced as at the last three years. The data is summarised in the following table:

	2023	2024	2025
Registered Employers	2,250	2,303	2,244
Active Employees and Contractors	24,780	24,589	24,932
Active Apprentices	2,371	2,647	1,694
Inactive Employees and Contractors	3,544	3,691	3,864
Deregistered Employees	77,285	80,973	85,383

## Building and Construction Industry Scheme levy contributions

In 2024-25, Building and Construction Industry employers paid a total of \$22.170m in levy contributions (up from \$19.388m in 2023-24) based on a levy rate of 2.75% of employee ordinary remuneration. The increase in levy contributions paid this year is attributed to the increase to the levy rate from 2.35% to 2.75% effective from 1 October 2024. ACT Leave had budgeted \$22.849m in contributions for the 2024-25 financial year with the shortfall attributed to the decrease in registered employers.

**Figure 2. Building and Construction Industry levy contribution payments by employers**

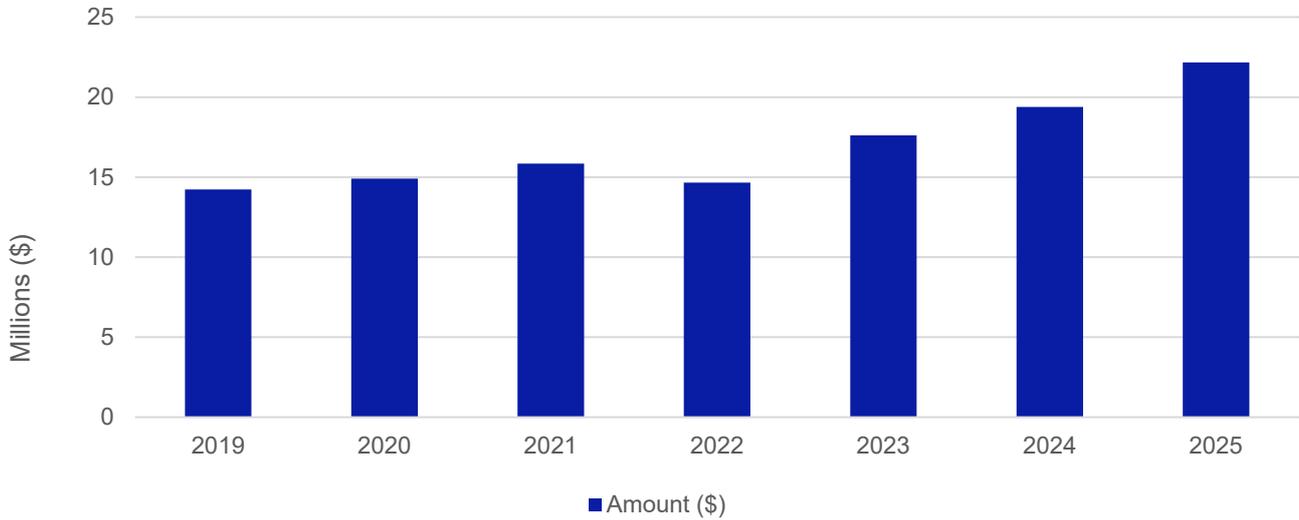


Image description: Figure 2 is a bar graph that measures the levy contributions made by employers in the Building and Construction Industry Scheme over the last seven years from 2019 to 2025. The data, measured in dollars, is summarised in the table below:

	2019	2020	2021	2022	2023	2024	2025
Amount (\$)	14.228M	14.905M	15.849M	14.659M	17.609M	19.388M	22.170M

## Building and Construction Industry Scheme benefit payments

There were 1,296 long service leave benefit payments made during the financial year (1,287 in 2023-24), representing a payment value of \$17.237m (\$16.076m in 2023-24). The Scheme has paid a total of \$220.598m in long service leave benefits since its commencement in 1981.

Overall, within the Building and Construction Industry the total number of payments made increased by 0.70% (after an increase of 3.46% in 2023-24), with a minimal increase of 1.07% in workers accessing a period of long service leave upon reaching a full entitlement after 10 years' service (increased by 0.21% in 2023-24).

Claims lodged	2023	2024	2025
Total claims lodged	1,350	1,406	1,355
Withdrawn, declined or duplicate	106	119	59
Number of payments made	1,244	1,287	1,296
Criteria under which claims were lodged			
More than 10 years' service	935	937	947
Pro-rata (5 years but less than 10 years of credited service)	129	145	135
Ill health, age retirement or death (55+ days service)	35	42	49
Early release entitlement	1	0	0
Refunds to employers who paid their workers under the <i>Long Service Leave Act 1976</i> or other Acts or Awards	11	10	14
Payments to reciprocal state schemes	133	153	151

### Services Industry (previously Contract Cleaning) Scheme employer and employee statistics

The Services Industry Scheme commenced on 1 April 2025, with workers and employers previously covered under the Contract Cleaning Scheme automatically transferred to the Services Industry Scheme upon commencement. The statistics presented below include data from the Contract Cleaning Scheme prior to 1 April 2025. As Contract Cleaning is the only industry currently under the Services Industry Scheme, the data from previous years offers a fair comparison until additional industries commence on 1 July 2026.

The overall number of registered active workers in the Services Industry (previously Contract Cleaning) Scheme increased by 6.78% during the reporting period. There was an increase of 9.80% in the number of employers registered in the scheme from the previous financial year.

**Figure 3. Services Industry (previously Contract Cleaning) employer and employee registration statistics**

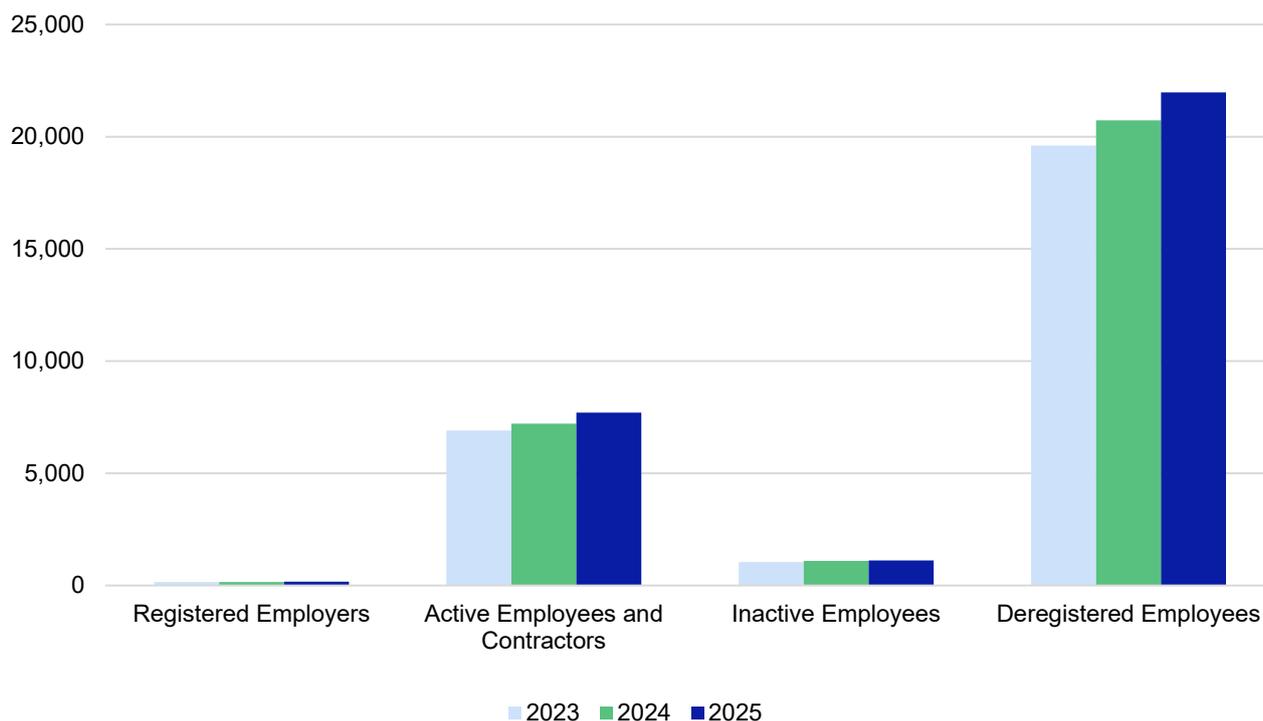


Image description: Figure 3 is a bar graph that measures the number of registered employers, active employees and contractors, and inactive employees and contractors each year from 2023 to 2025 in the Services Industry (previously Contract Cleaning) scheme, as well as the cumulative total of deregistered employees since the scheme commenced as at the last three years. The data is summarised in the following table:

	2023	2024	2025
Registered Employers	155	153	168
Active Employees	6,904	7,214	7,703
Inactive Employees	1,048	1,095	1,118
Deregistered Employees	19,609	20,726	21,973

### Services Industry (previously Contract Cleaning) Scheme levy contributions

In 2024-25, Services Industry employers paid a total of \$1.560m in levy contributions (increased from \$1.386m in 2023-24) based on a levy rate of 1.07% of employee ordinary remuneration. The increase in levy contributions paid this year can be attributed to the increase in the number of Active Employees. ACT Leave had budgeted \$2.831m in contributions for the 2024-25 financial year, this figure was initially based on the expansion of covered industries from 1 April 2025, which was subsequently deferred until 1 July 2026.

**Figure 4. Services Industry (previously Contract Cleaning) levy contribution payments by employers**

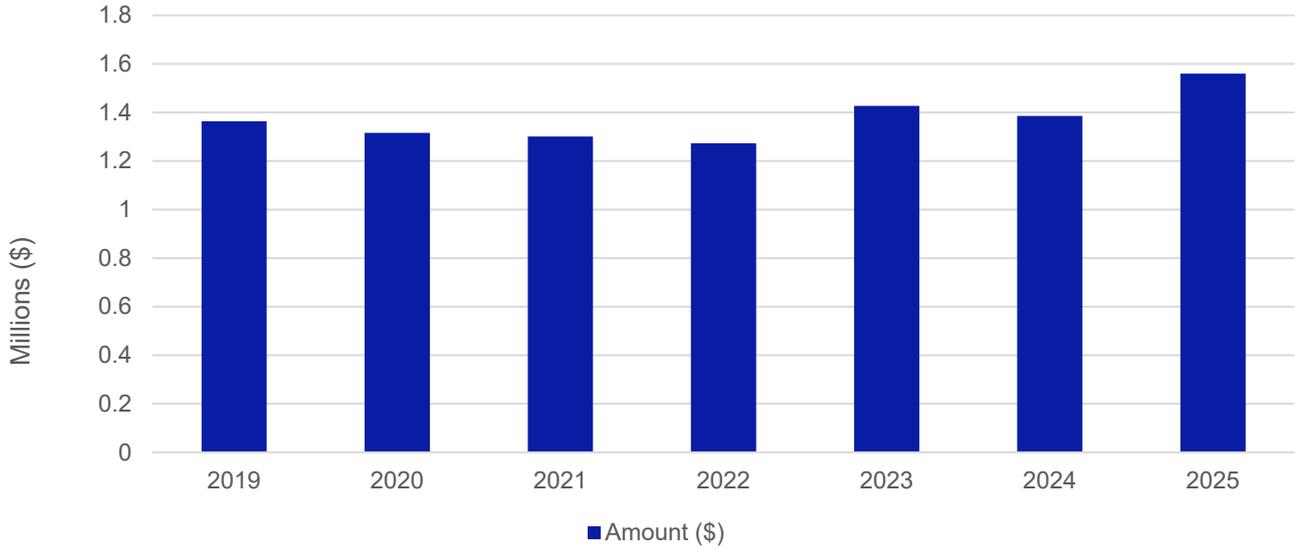


Image description: Figure 4 is a bar graph that measures the levy contributions made by employers in the Services Industry (previously Contract Cleaning) Scheme over the last seven years from 2019 to 2025. The data, measured in dollars, is summarised in the table below:

	2019	2020	2021	2022	2023	2024	2025
Amount (\$)	1.364M	1.316M	1.301M	1.273M	1.427M	1.386M	1.560M

## Services Industry Scheme benefit payments

There were 281 long service leave benefit payments made during the financial year (211 in 2023-24), representing a payment value of \$1.572m (\$1.089m in 2023-24).

Overall, within the Services Industry the total number of payments increased by 33.17% (decreased by 6.64% in 2023-24), with a substantial increase of 36.02% in workers accessing a period of long service leave upon reaching a full entitlement after 7 years' service (decreased by 2.42% in 2023-24).

Claims lodged	2023	2024	2025
Total claims lodged	247	234	289
Withdrawn, declined or duplicate	21	23	8
Number of payments made	226	211	281
Criteria under which claims were lodged			
More than 7 years' service	165	161	219
Pro-rata (5 years but less than 7 years of credited service)	34	33	39
Ill health, age retirement or death (55+ days service)	18	8	10
Early release entitlement	0	0	0
Refunds to employers who paid their workers under the <i>Long Service Leave Act 1976</i> or other Acts or Awards	8	5	10
Payments to reciprocal state schemes	1	4	3

## Community Sector Industry Scheme employer and employee registrations

The overall number of registered active workers in the Community Sector Scheme increased by 5.12% during the reporting period. There was also an increase of 4.78% in the number of employers registered in the scheme from the previous financial year.

**Figure 5. Community Sector Industry employer and employee registration statistics**

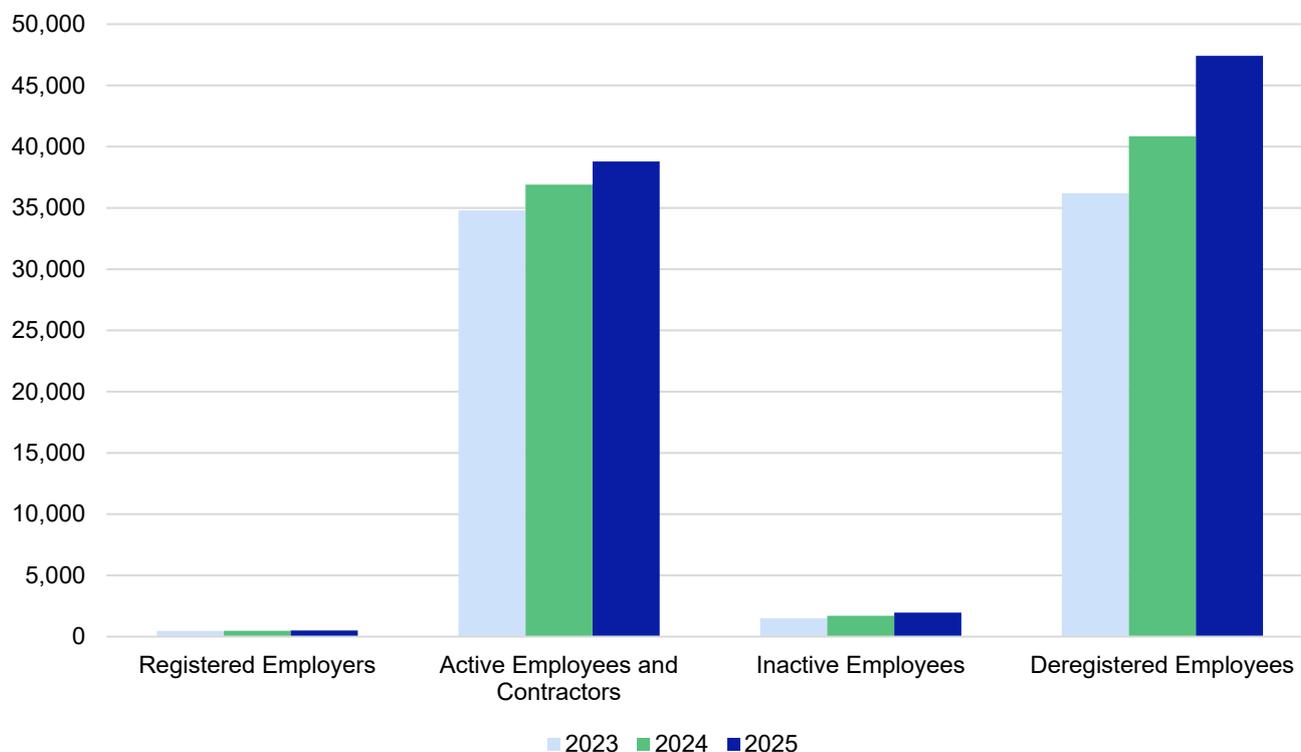


Image description: Figure 5 is a bar graph that measures the number of registered employers, active employees and contractors, and inactive employees and contractors each year from 2023 to 2025 in Community Sector Scheme, as well as the cumulative total of deregistered employees since the scheme commenced as at the last three years. The data is summarised in the following table:

	2023	2024	2025
Registered Employers	461	481	504
Active Employees and Contractors	34,803	36,904	38,794
Inactive Employees	1,498	1,704	1,958
Deregistered Employees	36,197	40,852	47,415

### Community Sector Industry Scheme levy contributions

In 2024-25, Community Sector employers paid a total of \$21.723m in levy contributions (up from \$17.314m in 2023-24) based on a levy rate of 1.85% of employee ordinary remuneration. The increase in levy contributions paid this year is attributed to the increase in the overall number of active workers and registered employers and the increase in the levy rate from 1.60% to 1.85% effective from 1 July 2024. ACT Leave budgeted for \$19.513m in contributions for the 2024-25 financial year.

**Figure 6. Community Sector Industry levy contribution payments by employers**

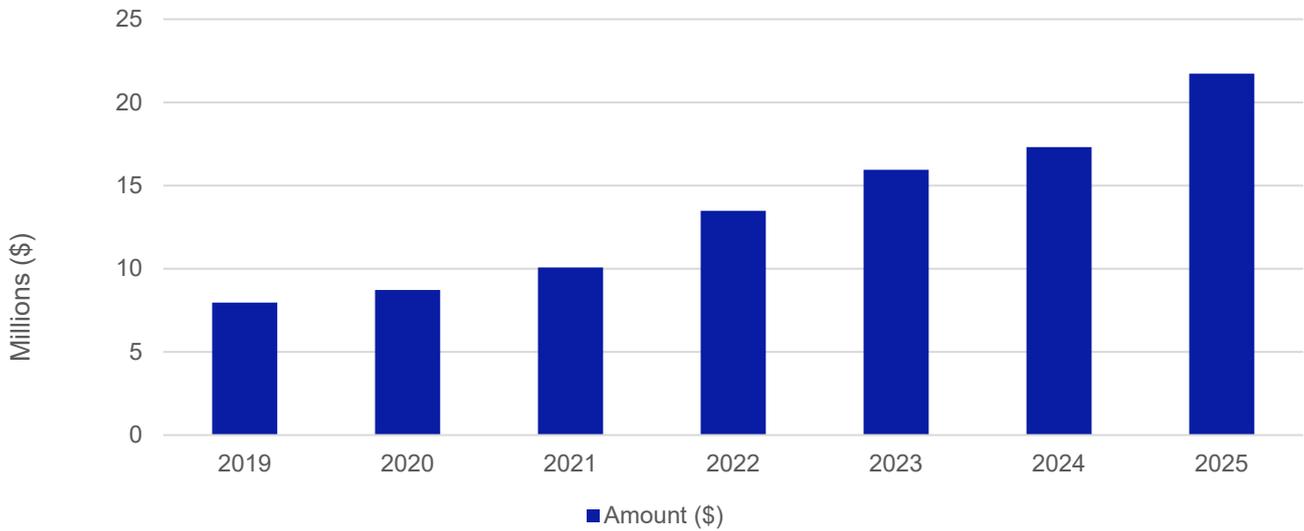


Image description: Figure 6 is a bar graph that measures the levy contributions made by employers in the Community Industry Scheme over the last seven years from 2019 to 2025. The data, measured in dollars, is summarised in the table below:

	2019	2020	2021	2022	2023	2024	2025
Amount (\$)	7.967M	8.722M	10.071M	13.485M	15.950M	17.314M	21.723M

## Community Sector Industry Scheme benefit payments

There were 1,567 long service leave benefit payments made during the financial year (1,614 in 2023-24), representing a payment value of \$10.155m (\$9.262m in 2023-24).

Overall, within the Community Sector Industry the total number of payments made decreased by 2.91% (increased by 5.49% in 2023-24), with an increase of 1.34% in workers accessing a period of long service leave upon reaching a full entitlement after 5 years' service (increased by 2.44% in 2023-24).

Claims lodged	2023	2024	2025
Total claims lodged	1,701	1,810	1,665
Withdrawn, declined or duplicate	171	196	98
Number of payments made	1,530	1,614	1,567
Criteria under which claims were lodged			
More than 5 years' service	1,309	1,341	1,359
Ill health, age retirement or death (55+ days service)	19	23	9
Early release entitlement	1	0	0
Refunds to employers who paid their workers under the <i>Long Service Leave Act 1976</i> or other Acts or Awards	201	250	199

## Security Industry Scheme employer and employee statistics

The overall number of registered active workers in the Security Industry Scheme remained the same during the reporting period, however there was an increase of 1.85% in the number of employers registered in the scheme from the previous financial year.

**Figure 7. Security Industry employer and employee registration statistics**

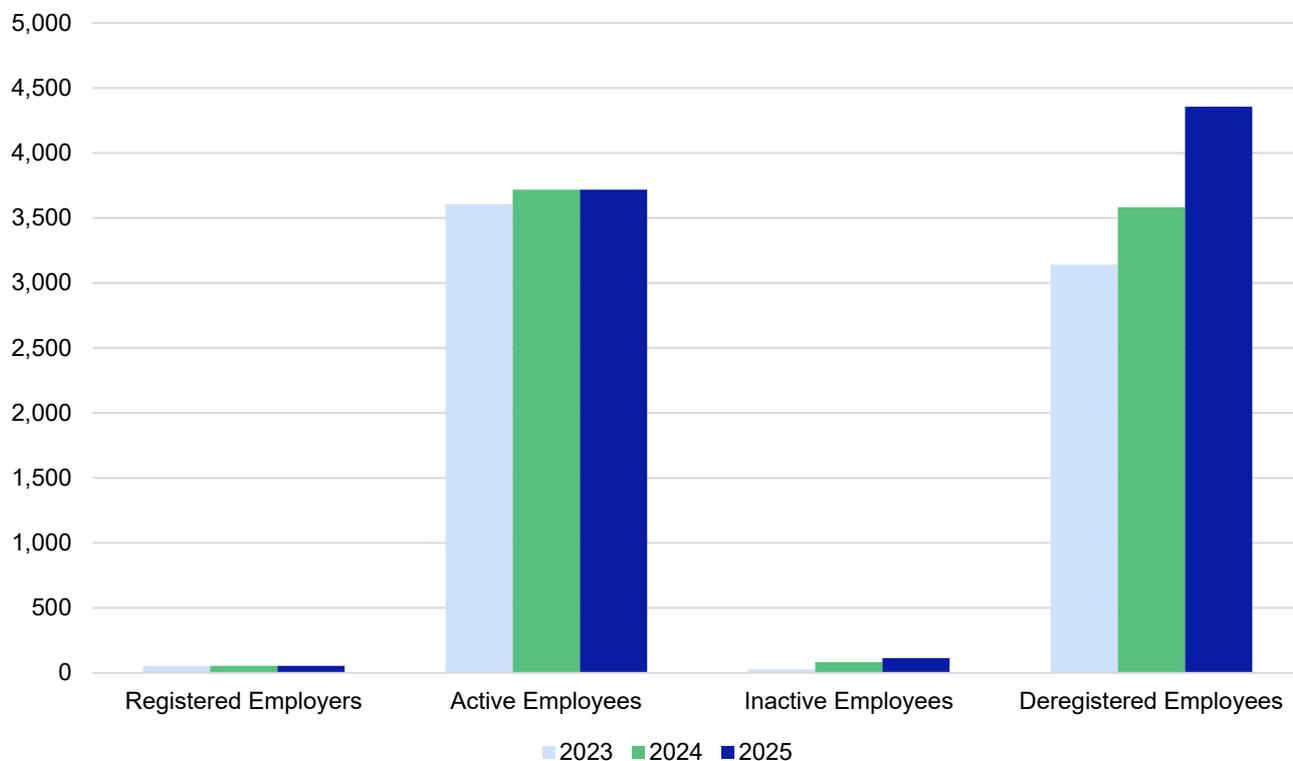


Image description: Figure 7 is a bar graph that measures the number of registered employers, active employees and contractors, and inactive employees and contractors each year from 2023 to 2025 in the Security Industry Scheme, as well as the cumulative total of deregistered employees since the scheme commenced as at the last three years. The data is summarised in the following table:

	2023	2024	2025
Registered Employers	53	54	55
Active Employees	3,605	3,717	3,717
Inactive Employees	28	83	114
Deregistered Employees	3,140	3,582	4,356

### Security Industry Scheme levy contributions

In 2024-25, Security Industry employers paid a total of \$1.507m in levy contributions (up from \$1.035m in 2023-24) based on a levy rate of 1.47% of employee ordinary remuneration. The increase in levy contributions paid this year is attributed to the increase in the levy rate from 1.07% to 1.47% effective from 1 July 2024. ACT Leave budgeted for \$1.474m in contributions for the 2024-25 financial year.

**Figure 8. Security Industry levy contribution payments by employers**

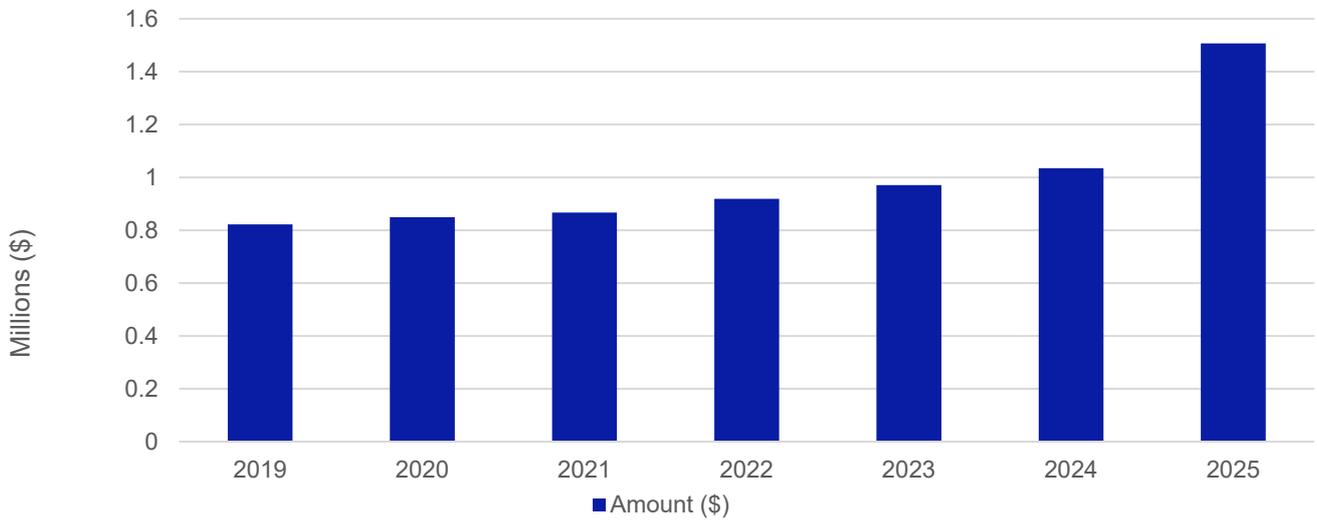


Image description: Figure 8 is a bar graph that measures the levy contributions made by employers in the Security Industry Scheme over the last seven years from 2019 to 2025. The data, measured in dollars, is summarised in the table below:

	2019	2020	2021	2022	2023	2024	2025
Amount (\$)	0.822M	0.849M	0.867M	0.919M	0.971M	1.035M	1.507M

## Security Industry Scheme benefit payments

There were 112 long service leave benefit payments made during the financial year (141 in 2023-24), representing a payment value of \$0.711m (\$0.713m in 2023-24).

Overall, within the Security Industry Scheme the total number of payments made decreased by 20.57% (increased by 20.51% in 2023-24), with a decrease of 5.71% in workers accessing a period of long service leave upon reaching a full entitlement after 7 years' service (decreased by 1.41% in 2023-24). There was also a significant decrease of 50% in refunds made to employers who paid long service leave benefits under other laws or provisions.

Claims lodged	2023	2024	2025
Total claims lodged	139	164	121
Withdrawn, declined or duplicate	22	23	9
Number of payments made	117	141	112
Criteria under which claims were lodged			
More than 7 years' service	71	70	66
Pro-rata (5 years but less than 7 years of credited service)	1	6	11
Ill health, age retirement or death (Greater than 5 years' service)	7	5	5
Early release entitlement	0	0	0
Refunds to employers who paid their workers under the <i>Long Service Leave Act 1976</i> or other Acts or Awards	38	60	30

## Compliance and education

ACT Leave undertakes a range of compliance and educational activities across all four schemes during each financial year. Compliance activities are risk-based and operate under the escalation principles of assistance, education, ongoing follow up of outstanding matters and enforcement.

Activities include identifying and contacting eligible employers and assisting them with the registration process, investigating and processing missing service claims initiated by employees, assisting and supporting employers to manage the quarterly return and payment submission process, as well as checking employer registration details and facilitating correct data reporting and levy payments.

ACT Leave's educational activities include:

- Presentations to various Building and Construction Industry apprentices through the Canberra Institute of Technology, where apprentices are provided information regarding entitlements and overall scheme arrangements.
- One-on-one employer meetings to assist employers with understanding their obligations to manage their employee's portable long service leave entitlements.
- The provision of marketing and communication material about portable long service leave to peak industry bodies and worker representative groups for inclusion in their social media pages, newsletters to members, and employee-based publications.
- Quarterly employer newsletters which provide information on latest news and updates, key dates, and useful tips and instructions for employers lodging quarterly returns or contacting ACT Leave.
- Exhibiting at relevant events in Canberra, such as the Careers Xpo to engage with potential employers and workers and build portable long service leave scheme awareness.
- Visiting Hairdressing, Beauty, Accommodation and Food Services businesses across Canberra to provide marketing and educational material and information in anticipation of these industries entering the Services Industry Scheme on 1 July 2026.

In support of the work ACT Leave undertakes to identify and register eligible employers and workers in the four covered industries which ACT Leave administers, ACT Leave works cooperatively with:

- Tenders ACT, to ensure that eligible tenderers for ACT Government contracts related to the four administered industries are registered with ACT Leave.
- Skills Canberra, to ensure that all employers of apprentices registered with the ACT government are registered with ACT Leave and that they register their employees and apprentices who are working in the covered industries.
- Secure Local Jobs, to ensure that all employers requiring a Code Certificate are meeting their obligations under the Act.

ACT Leave's compliance efforts also include reviewing a wide range of publicly available information to identify eligible employers who may be required to apply for registration, such as:

- Register of National Disability Insurance Scheme service providers that are in the industry of providing services covered under the Act.
- Access Canberra's Security Master Licence register for eligible Security and Building and Construction Industry employers.
- Australian Children's Education and Care Quality Authority (ACECQA) public register listing approved education and care service providers.
- Job advertisements to identify employers looking to employ workers who are covered under the Act.
- The Australian Taxation Office's Australian Business Register (ABR) explorer portal.

ACT Leave undertakes audits, debt management and other enforcement activities to ensure employers are complying with the requirements of the Act and fulfilling their obligations to manage their employees' portable long service leave entitlements.

ACT Leave's compliance and education activities are aimed at promoting a high level of voluntary compliance amongst covered employers that is based on a solid understanding of the scheme arrangements and employer obligations while maintaining productive, positive and meaningful relationships with all stakeholders.

## **Accountability indicators**

ACT Leave's annual Statement of Performance details actual performance results against established targets, including an explanation of major variances for each performance measure. Refer to C6. Statement of Performance, pages 116-122 for further information.

## **B3. Scrutiny**

In 2024-25 the ACT Auditor-General published a report on the 'Governing boards of selected ACT Government entities' following the performance audit which ACT Leave participated in during 2023-24. The Auditor General's report included a number of recommendations specifically for ACT Leave, which have been implemented and approved by the Governing Board. There were no other reports from the ACT Auditor-General, the ACT Ombudsman, or any Legislative Assembly Committees in 2024-25 which required input from ACT Leave. The only other scrutiny from the ACT Auditor-General during the reporting period was for the audit of the 2024-25 Financial Statements and the review of the 2024-25 Statement of Performance. The Audit Office issued an unqualified audit opinion in both reports and there were no audit findings from the review.

## **B4. Risk management**

ACT Leave has in place a comprehensive Risk Management Framework comprising an Enterprise Risk Register, a Risk Appetite Statement developed by the Governing Board, a risk register underpinning the organisation's business transformation projects, and a specific Work Health and Safety (WHS) Risk Register to document and mitigate WHS risks.

ACT Leave's Risk Management Framework is overseen by ACT Leave's Audit and Risk Committee, with the Enterprise Risk Register presented for the approval of the Audit and Risk Committee when they meet four times per year. This ensures that there is opportunity to consider and review existing risks and identify emerging business risks. The Audit and Risk Committee presents the Enterprise Risk Register to the Governing Board on an annual basis for the Board's review and approval. A full review of the Enterprise Risk Register was undertaken and presented to the Audit and Risk Committee and the Board for their review and approval in December 2024.

The Business Transformation Program Risk Register captures risks identified from strategic projects, with all risks with a high residual risk rating reported to each meeting of the Governing Board.

Following completion of the CRM implementation project and the delayed entry of new industries into the Services Industry Scheme to 1 July 2026, the Business Transformation Program Risk Register and the Enterprise Risk Register were reviewed in May 2025, with key strategic risks escalated to the Enterprise Risk Register accordingly.

The Board also remains informed of the organisation's WHS Risk Register, with risks with a high residual risk rating reported as required. ACT Leave's Work, Health and Safety Committee completed a comprehensive review of the WHS Risk Register in April 2025.

Developed in 2023, ACT Leave's Risk Appetite Statement is an important decision-making tool for the Governing Board, establishing the tolerance for risk as it relates to ACT Leave's strategy (including strategic projects), and operations. Governing Board agenda items requiring a decision are mapped directly to the Strategic Plan (if relevant) as well as the Risk Appetite Statement. The Risk Appetite Statement is reviewed by the Board on an

annual basis, to coincide with the Board's review of the Enterprise Risk Register, and a progress review of the Strategic Plan.

The Chief Executive Officer, Deputy Registrar, Chief Finance Officer, Chief Information Officer and Chief Operations Officer review the Enterprise Risk Register at least on a quarterly basis, while the Business Transformation Program Risk Register is considered on a fortnightly basis by the relevant project teams, and the WHS Risk Register is reviewed quarterly by the WHS Committee and the Chief Executive Officer. All risks are monitored for opportunities for improvement, and structured contingency planning.

ACT Leave's Strategic Plan 2023-2026 was updated in June 2025 to directly link the organisation's approach to risk management with strategy. This was approved by the Governing Board at their meeting on 19 June 2025.

ACT Leave also has in place a Business Continuity Plan due to be reviewed in 2025-26 using the ACT Government's whole-of-government guidelines approved in March 2025, and an ICT Disaster Recovery Plan, which is tested biannually, to ensure any disruptions to the continued provision of critical services to ACT Leave's clients and support functions are mitigated and properly managed, and systems can be restored efficiently and within appropriate timeframes.

## **B5. Internal audit**

The Audit and Risk Committee, established under the Audit and Risk Committee Charter, meets at least four times a year and oversees ACT Leave's risk management framework and internal and external audit functions.

Internal audit topics are discussed and determined at Audit and Risk Committee meetings, based on risk assessments, potential or emerging issues in ACT Leave's operating environment and ACT Leave's internal business priorities.

During 2024-25, ACT Leave conducted a Work Health and Safety System audit performed by independent and qualified external consultants. ACT Leave's CRM system underwent annual security and penetration testing by an independent third-party and concluded with no major or critical issues to resolve. As part of the tax compliance review, ACT Leave engaged with the Australian Taxation Office to perform a Goods and Services Tax (GST) health check. The outcomes of all the reviews were positive, with some audit findings raised and recommendations provided which have been accepted and are either complete or in the process of being addressed by management.

## **B6. Fraud prevention**

ACT Leave has a Risk Management and Fraud Prevention Plan in place to manage fraud risks and any associated fraud investigation and reporting. ACT Leave manages and controls risks ensuring that they are identified and monitored regularly with appropriate mitigation actions undertaken to reduce the risks to an accepted level. The Plan includes a formalised, integrated, and visible process to identify risk exposures across strategic, operational and financial activities and to provide the Governing Board and Audit and Risk Committee with assurance that these exposures are adequately monitored and controlled. With adequate controls in place, there were no material fraud risks identified, and the overall fraud risk is considered low. There were no instances of fraud or cases of corruption suspected or reported during 2024-25.

ACT Leave also discusses fraud and corruption risk factors with staff regularly across a variety of forums, to promote awareness and prevention of fraud and corruption. In 2024-25 all ACT Leave staff attended online education sessions conducted by the ACT Integrity Commission on Corruption Prevention and Education.

In addition, ACT Leave minimises the opportunity for fraud by ensuring there is appropriate segregation of duties and financial authorisations amongst those who collect, and process monies received. ACT Leave has also established other robust monitoring controls, such as regular bank, investment, lease liability, and asset register reconciliations to ensure assets are properly insured and accounted for. Covered under the Fidelity Indemnity Guarantee Agreement from the ACT Insurance Authority, the insurance policy covers ACT Leave against claims

for direct loss of money or goods as a result of acts of fraud or dishonesty by its employees. There were no such claims made during 2024-25.

ACT Leave's investment portfolios are held in pooled funds managed by Vanguard Australia. Vanguard Australia uses a separate custodian financial institution to hold these funds. ACT Leave is provided with an annual audit report from Vanguard, conducted by an independent external auditor, to ensure its operating controls are effective in managing client assets.

## **B7. Freedom of information (FOI)**

There were no FOI applications made to ACT Leave in 2024-25.

## **B8. Community engagement and support**

Other than the compliance and education related activities delivered (refer to Compliance and Education on page 33), ACT Leave did not undertake any broader community engagement activities during the year and did not participate in any grants, assistance, or sponsorship programs.

## **B9. Aboriginal and Torres Strait Islander reporting**

ACT Leave did not undertake or participate in any programs, projects or initiatives during the year relating to Aboriginal and Torres Strait Islander Peoples in the ACT. For the Aboriginal and Torres Strait Islander Procurement Policy Reporting, see C5. Government Contracting section.

## **B10. Disability inclusion reporting**

ACT Leave ensures that clients and employers with a disability are supported, feel safe, have access to services and are able to participate. We do this by:

- Providing multiple ways for clients to access ACT Leave's services, either online, by calling, or in person.
- Parking is provided within close proximity to the premises for ease of access.
- Writing guidance and information materials in plain English or making them translatable for clarity of information.
- Making reasonable working adjustments for staff as required.
- Offering flexible working arrangements including regular work from home that can accommodate staff members with disabilities as required.

ACT Leave did not participate in any grants, assistance, or sponsorship programs relating to disability services over 2024-25.

## **B11. Multiculturalism reporting**

ACT Leave takes a systematic approach to ensuring our communications and marketing practices are inclusive by acting in accordance with the ACT Government Language Services Policy. We do this by:

- Ensuring all staff are aware of the Language Services Policy, and how to access interpreter services.
- Committing to the appropriate use of interpreters and translators in the delivery of all services for people who communicate in a language other than English.
- Communicating in plain English, with short but important amounts of information, avoiding officialese jargon, metaphors and colloquialisms.

- Incorporating the use of images and animated videos to help relay messages, as an alternative to text heavy content.
- Using translation services and the national interpreter symbol on communication material including QR codes to direct people to our website which can be translated into 30 frequently used languages in the ACT and Australia.
- Translating workers brochures for the Services Industry Scheme into simplified Chinese and Vietnamese given the substantial proportion of these nationality workers in the hair and beauty and hospitality industries.

## **B12. Period Products and Facilities (Access) Act reporting**

ACT Leave has appropriate toilets, sanitary waste, and handwashing facilities available in a way that respects the dignity of the person.

The ACTPS Employment Portal includes detailed information about Menstruation and Menopause Leave and flexible working arrangements for ACTPS staff.

## **B13. Work health and safety**

ACT Leave is committed to providing a safe and healthy workplace, supporting the health, safety and wellbeing of all employees. The organisation receives guidance and advice from the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) for all injury management and work safety matters.

### **WHS incidents**

During the reporting period there were no significant workplace incidents that required notices under the provisions of the *Work Health and Safety Act 2011*. There were also no improvement, prohibition, or non-disturbance notices issued under Part 10 of the Act during 2024-25.

### **Staff capability**

ACT Leave maintains a strong focus on building workplace capability in health and safety. Staff are trained and nominated as First Aid Officers, Mental Health First Aid Officers, Fire Wardens, Health and Safety Representatives and Respect, Equity and Diversity Officers. These officers are supported by an active Work Health and Safety (WHS) Committee, which meets monthly and includes both staff and management representatives. The WHS Committee received dedicated training in January 2025 to ensure they understood their role and responsibilities as WHS Committee members.

### **Maintaining a safe workplace**

Work health and safety matters are discussed at monthly staff meetings, and WHS reporting is a standing agenda item for each Governing Board meeting. All new staff undertake a face-to-face, on-site WHS induction, where they are briefed on ACT Leave's processes and provided with a tour of the office, including evacuation procedures, and the location of emergency equipment such as first aid kits, fire extinguishers, and the defibrillator. Physical inspections of the office environment are conducted quarterly by members of the WHS Committee. Staff working under hybrid working arrangements are required to complete a Working From Home Checklist and to manage any risks identified in their home environment, with assistance and advice provided by ACT Leave as appropriate.

### **Managing WHS risk**

As part of its Risk Management Framework, ACT Leave maintains a dedicated WHS Risk Register to document and mitigate WHS risks. The register is reviewed on a quarterly basis by the WHS Committee and the Chief Executive Officer, with risks reported to the Governing Board as required. The key WHS risks currently being managed by ACT Leave include potential physical hazards, psychosocial hazards, and transmissible illness.

## B14. Human resources management

ACT Leave's staff are employed under the *Public Sector Management Act 1994* and are officers of the ACT Public Service. The Registrar is also the Chief Executive Officer of ACT Leave and a non-voting member of ACT Leave's Governing Board. Under the *Long Service Leave (Portable Schemes) Act 2009*, members of the Governing Board are appointed by the responsible Minister, and currently comprise two independent members, two members representing employer organisations and two members representing employee organisations. Refer to B1. Organisational Overview for ACT Leave's organisation structure.

### Workforce

The ACT Leave workforce comprised 39.2 full-time equivalent (FTE) staff during 2024-25. As a small agency, ACT Leave constantly monitors its workload and productivity to ensure there are adequate resources in place, and that staffing levels are appropriate to carry out required work and meet established performance targets.

Over 2024-25 there was an increase in the number of Compliance Officers to manage the increased workload associated with the introduction of the Services Industry Scheme, and an increase in Client Services Team staff to manage increased client enquiries on the release of the new CRM system, and in anticipation of the increase in registered employers with the commencement of the Services Industry Scheme. With the delayed entry of new industries until 1 July 2026, these staff have been supporting the increased engagement activities. ACT Leave established an ICT and Security team with the engagement of a Chief Information Officer and a Business Intelligence Officer under the corporate services function to manage and administer its business systems and security framework for its systems, personnel, and building.

**Figure 9: ACT Leave resourcing by function 2024-25**

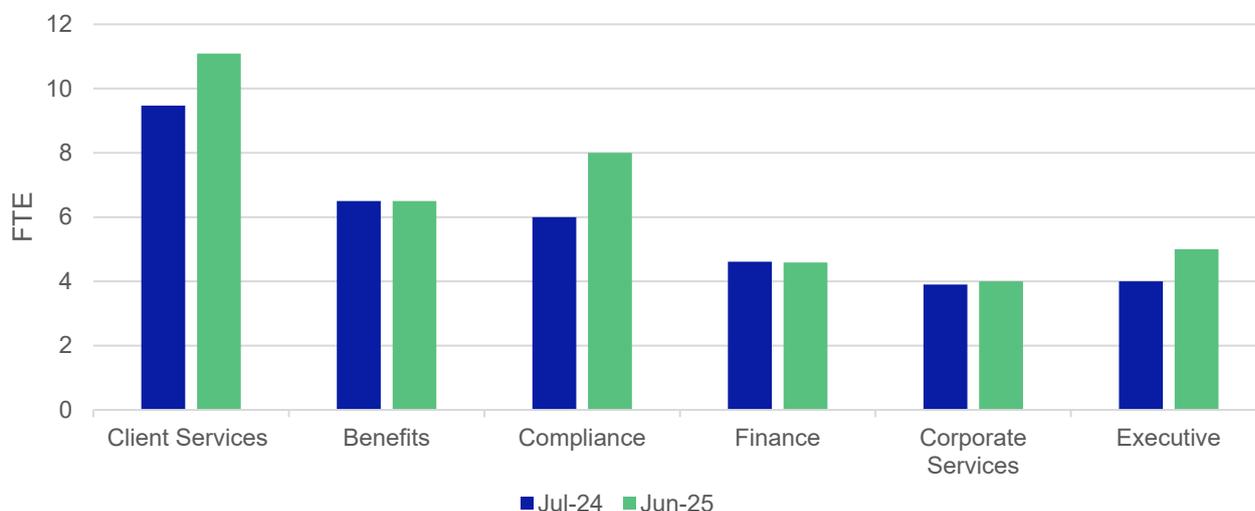


Image description: Figure 9 is a bar graph that gives a breakdown of the number of full time equivalent (FTE) staff in Client Services, Benefits, Compliance, Finance, Corporate Services and Executive teams in July 2024 and June 2025. The data is summarised in the following table:

	Client Services	Benefits	Compliance	Finance	Corporate	Executive
Jul-24	9.5	6.5	6	4.6	3.9	4
Jun-25	11.1	6.5	8	4.6	4	5

## Staff profile

ACT Leave employed 39.2 Full Time Equivalent (FTE) permanent staff (with headcount of 41) as at 30 June 2025 with the staff profile as shown in the tables below:

### Full time equivalent (FTE) and headcount by gender

	Female	Male	Non-binary	Total
FTE by gender	22.2	17.0	0.0	39.2
Headcount by gender	24	17	0	41
% of workforce	58.5%	41.5%	0.0%	100%

### Headcount by classification and gender

Classification group	Female	Male	Non-binary	Total
Administrative Officers	18	14	0	32
Senior Officers	5	3	0	8
Executive Officers	1	0	0	1
Total	24	17	0	41

### Headcount by employment category and gender

Employment category	Female	Male	Non-binary	Total
Casual	0	0	0	0
Permanent full time	20	14	0	34
Permanent part time	2	1	0	3
Temporary full time	2	2	0	4
Temporary part time	0	0	0	0
Total	24	17	0	41

### Headcount by diversity group

	Headcount	% of Total Staff
Aboriginal and/or Torres Strait Islander	0	0.0%
Culturally & linguistically diverse	17	41.5%
People with a disability	2	4.9%

## Headcount by age group and gender

Age group	Female	Male	Non-binary	Total
Under 25	1	0	0	1
25-34	6	5	0	11
35-44	10	4	0	14
45-54	6	7	0	13
55 and over	2	1	0	3

## Average length of service by gender

	Female	Male	Non-binary	Total
Average years of service	5.3	7.5	0.0	6.2

## Headcount by recruitment and separation rates

Classification group	Recruitment rate	Separation rate
Total	12.8%	3.2%

## Gender pay gap

Classification group	Female	Male	Pay gap
Administrative Officers	95,741	97,811	2.1%
Senior Officers	152,643	148,046	-3.1%
Executive Officers	223,553	0	0.0%
Total	112,921	106,676	-5.9%

## Training and development

The Chief Executive Officer, Executive Team and senior staff oversee staff performance ensuring there are Performance Development Plans in place for all staff with structured performance reviews scheduled twice a year. On the job, formal education and training is provided to ensure that staff have the required skills to meet operational needs. Staff are encouraged to acquire broad operational capability and experience to fulfil succession planning requirements as well as any unexpected staff absences. ACT Leave staff are recruited to satisfy the administration responsibilities of the *Long Service Leave (Portable Schemes) Act 2009*, including: general administration, client service, benefits payment, information technology, compliance and education, stakeholder engagement and communication, financial management and reporting functions.

ACT Leave has supported the following learning and development activities in 2024-25:

- Formal, instructor-led training
- Internal mentoring arrangements
- Attendance at relevant seminars and conferences

- Education courses
- The provision of study assistance for staff to undertake qualification programs.
- On-the-job training.
- Higher Duties Allowances for staff to perform at a more senior level.
- Cross-team training to build capacity across the organisation.

In 2024-25, ACT Leave supported two staff members through study assistance which included providing study leave and financial assistance for course costs.

## Working arrangements

During 2024-25, ACT Leave supported hybrid work arrangements including identifying and addressing learning and development needs which factored in, and accommodated, hybrid working arrangements. There were no staff on Attraction and Retention Initiatives (ARIns) during the reporting period.

## B15. Ecological sustainability reporting

ACT Leave continues to support the principles of Ecologically Sustainable Development where possible and relevant to the operational activities of the organisation. Conservation measures include:

- The leasing of a zero emissions vehicle (ZEV).
- Encouraging staff to conserve electricity by carefully planning all field visits using ACT Leave's corporate vehicle (ZEV).
- purchasing new office equipment with a view to its eventual recyclability.
- Selling or trading excess or superseded equipment, as an alternative to landfill disposal.
- Depositing unsaleable equipment with a reputable recycling service provider for resale or recycling.
- Limiting the generation of paper records through electronic record keeping where practical and possible.

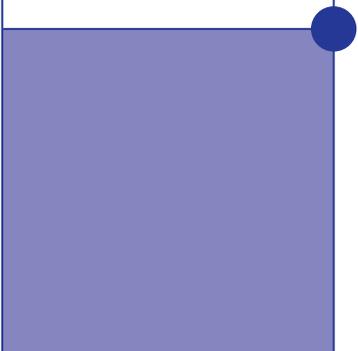
### Sustainable development performance: current and previous financial year

Indicator as at 30 June	Unit	Current FY	Previous FY	Percentage change
Stationary energy usage				
Electricity use	Kilowatt hours	63,482	60,633	5%
Fossil fuel gas use (non-transport)	Megajoules	-	-	-
Diesel use (non-transport)	Kilolitres	-	-	-
Liquid Petroleum Gas	Kilolitres	-	-	-
Fleet vehicles				
Zero Emissions Vehicles (ZEV)	Number	1	-	100%
Plug-in Hybrid Electric Vehicles (PHEV)	Number	-	-	-
Hybrid Electric Vehicles (HEV)	Number	1	1	-%

Indicator as at 30 June	Unit	Current FY	Previous FY	Percentage change
Internal Combustion Engine (ICE) Vehicles	Number	-	-	-
Water usage				
Water use	Kilolitres	77	64	21%
Resource efficiency and waste				
Waste to landfill	Litres	31,110	12,640	146%
Co-mingled material recycled	Litres	10,455	13,382	- 22%
Paper & Cardboard recycled (including secure paper)	Litres	13,696	19,910	-31%
Organic material recycled	Litres	-	-	-
Greenhouse gas emissions				
Emissions from fossil fuel gas use (non-transport)	Tonnes Co2-e	-	-	-
Emissions diesel use	Tonnes Co2-e	-	-	-
Emissions from petrol and E10 use	Tonnes Co2-e	0.54	0.59	-8%
Emissions from Compressed Natural Gas (transport) where applicable	Tonnes Co2-e	-	-	-
Emissions from refrigerants	Tonnes Co2-e	-	-	-
Total emissions	Tonnes Co2-e	0.54	0.59	-8%

# Part C

## Financial Management Reporting



# C1. Management discussion and analysis

## Objectives of ACT Leave

ACT Leave in its current form was established in 2010 under the *Long Service Leave (Portable Schemes) Act 2009* (the Act) to administer portable long service leave benefits for covered industries, including the Building and Construction Industry scheme, Contract Cleaning Industry scheme, Community Sector Industry scheme, and the Security Industry scheme. On 29 March 2023, the ACT Legislative Assembly passed the *Long Service Leave (Portable Schemes) Amendment Act 2023*, which expands portable long service leave schemes in the ACT to additional industries. The new Services Industry Scheme, incorporating the existing Contract Cleaning Scheme, commenced on 1 April 2025. The Services Industry Scheme will also cover Hairdressing and Beauty, and Accommodation and Food services from 1 July 2026.

ACT Leave's objectives, in accordance with relevant obligations, are to:

- make long service leave benefit claim payments to employees and contractors, and reimbursements to employers in accordance with the Act
- ensure eligible employers and employees of all administered schemes are registered with ACT Leave
- efficiently and effectively collect contribution levies from registered employers and
- invest funds to maintain the long-term sustainability of all schemes.

## Risk management

ACT Leave has in place a structured Risk Management Framework that is integrated with our Strategic Plan and performance measures. The Risk Management Framework comprises an Enterprise Risk Register, a Risk Appetite Statement developed by the Governing Board, a risk register underpinning the organisation's business transformation projects, and a specific Work Health and Safety (WHS) Risk Register to document and mitigate WHS risks.

ACT Leave's Risk Management Framework is overseen by the ACT Leave Audit and Risk Committee, with the Enterprise Risk Register, comprising strategic and operational risks, presented for the approval of the Audit and Risk Committee when they meet four times per year. This ensures that there is opportunity to consider and review existing risks and identify emerging business risks. The Audit and Risk Committee presents the Enterprise Risk Register to the Governing Board on an annual basis for the Board's review and approval.

Several key risks have been identified as outlined below, that could, if not appropriately managed and controlled, have an impact on ACT Leave's future financial position.

### Investment risk

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

### Information technology risk

- ACT Leave is heavily dependent on its IT systems, and as such the appropriate and reliable functioning of IT systems, effective management of data integrity, and management of overall system security are critical to successful business continuity. IT risks are mitigated through regular activities such as penetration testing, system monitoring and daily backups. In addition, ACT Leave has an IT disaster recovery plan which targets a Recovery Time Objective of no more than 24 hours, which is tested annually. System control and other IT related audits are regularly undertaken as part of ACT Leave's internal audit program. ACT leave has deployed a new administration system which has enhanced Customer Relationship Management (CRM)

capabilities and functionality, provided administration capability for the new Services Industry Scheme as well as strengthened system stability and security.

### **Contribution levy payment risk**

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

### **Financial performance**

ACT Leave operates four defined benefit schemes. ACT Leave's main asset is investments in pooled vehicles holding listed shares and marketable fixed interest. The main source of income for ACT Leave is from levy contributions from employers. However, the main balance sheet liability item 'Provision for Long Service Leave Benefits' and the main expense item 'Long Service Leave Benefit Expenses' reflect actuarial calculations of the present value of future payments (balance sheet liability) and changes in that present value plus actual long service leave claims paid to eligible employees (operating expense). See Note 15 of the Financial Statements for details. Consequently, cash outlays by ACT Leave can vary significantly from expenses recorded in a particular year. The following financial information is based on the audited financial statements for the 2023-24 and 2024-25 financial years, the original budget contained in the 2024-25 Statement of Intent, and future trends in the 2025-26 Statement of Intent.

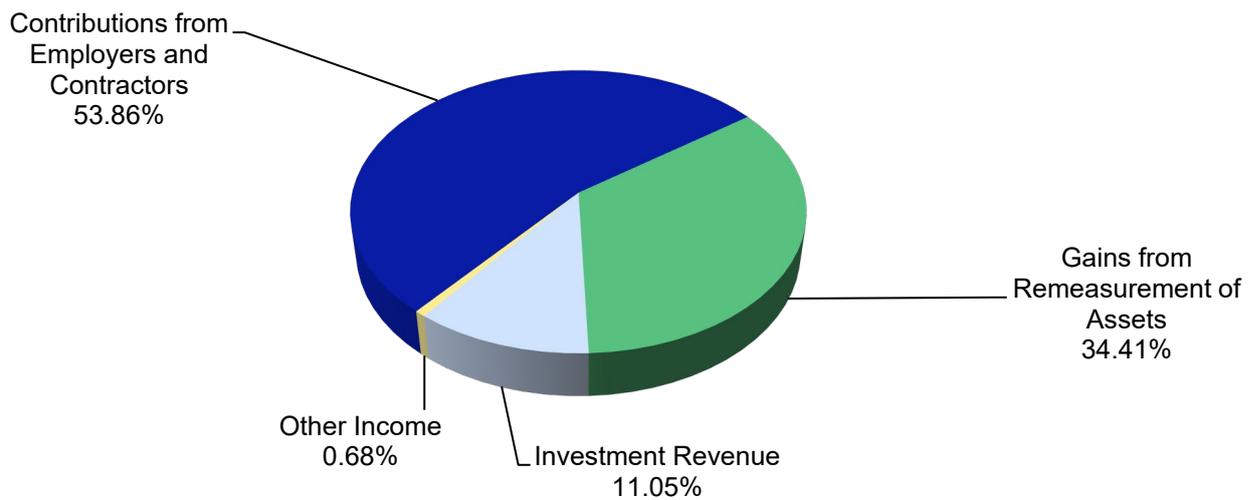
#### **Total income**

##### *Components of income*

ACT Leave's consolidated total income in 2024-25 was \$87.19 million which included:

- \$46.96 million (53.86 per cent) contributions revenue
- \$30.00 million (34.41 per cent) gains from remeasurement of assets
- \$9.64 million (11.05 per cent) of total investment revenue including investment distributions of \$9.20 million and management fee rebates of \$0.43 million and
- \$0.59 million (0.68 per cent) of other income, comprising \$0.35 million interest revenue, \$0.14 million of income from penalties, \$0.08 million of LeaveTrack licence fees, and the remaining \$0.02 million mainly relating to income from infringement notices and resources received free of charge.

**Figure 1. Sources of income**



*Comparison to budget*

Total income in 2024-25 was \$20.39 million (30.53 per cent) higher than the original budget.

This was mainly due to the gains from remeasurement of assets of \$30.00 million compared to the budgeted gains of \$10.08 million. Due to favourable market conditions ACT Leave made an average investment return of 13.74 per cent per annum in 2024-25 compared with 6.00 per cent per annum assumed in the Budget.

*Comparison to 2023-24 actual income*

Total income in 2024-25 increased by \$14.65 million (20.19 per cent) from the 2023-24 actual.

In 2024-25, ACT Leave achieved an average investment return of 13.74 per cent per annum compared with 12.38 per cent per annum in 2023-24. This, combined with a higher investments base, contributed to higher gains from remeasurement of assets by \$9.11 million (43.63 per cent).

Levy contributions from employers and contractors increased by \$7.84 million (20.03 per cent). This is due to a combination of employer levy rate increases and wage indexation in 2024-25.

This was partially offset by the decrease in Investment Income by \$2.17 million (18.37 per cent) due to lower quarterly investment distributions.

*Future trends*

Total Income for 2025-26 is budgeted to decrease by \$14.86 million (17.04 per cent).

Gains from remeasurement of assets are expected to decrease by \$15.58 million (51.94 per cent) as ACT Leave expects the average full year investment return to be at 6.00 per cent per annum, compared to the actual return of 13.74 per cent in 2024-25.

This is partially offset by \$2.11 million (4.49 per cent) higher expected contributions revenue from a moderate growth of all four covered industries in the ACT.

## Total expenses

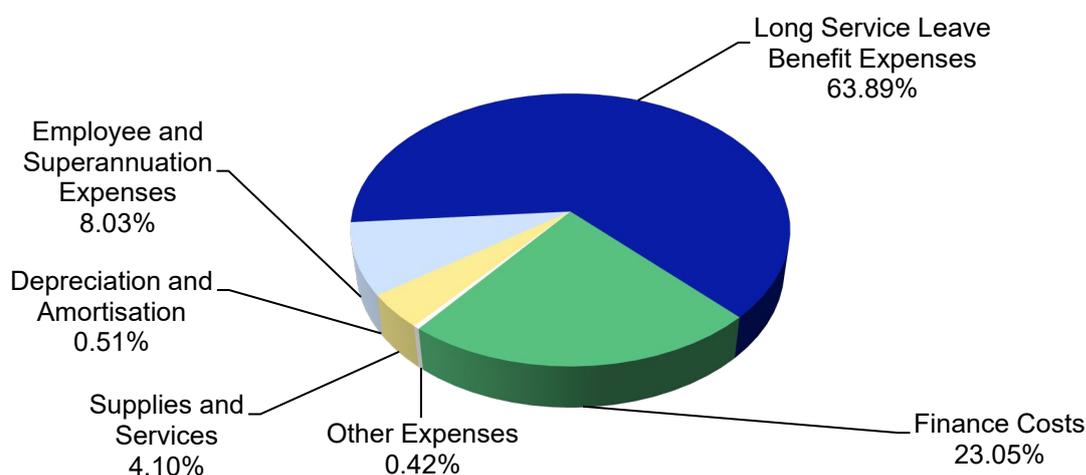
### Components of expenses

ACT Leave's 2024-25 expenses include the long service leave benefit expenses of the four administered schemes combined, and the general administration expenses for ACT Leave's daily operations.

Figure 2 shows the components of ACT Leave's expenses for 2024-25 including:

- \$39.63 million (63.89 per cent) of long service leave benefit expenses
- \$14.30 million (23.05 per cent) of finance costs, comprising mostly of the unwinding of the discount rate used for assessing the long service leave benefits provision
- \$4.98 million (8.03 per cent) of employee and superannuation expenses
- \$2.54 million (4.10 per cent) of supplies and services costs
- \$0.32 million (0.51 per cent) of depreciation and amortisation costs and
- \$0.26 million (0.42 per cent) of other expenses mainly related to impairment losses and waivers.

**Figure 2. Components of expenses**



### Comparison to budget

Total expenses in 2024-25 were \$11.11 million (15.19 per cent) lower than budget primarily due to lower long service leave benefit expenses by \$13.44 million (25.33 per cent) as a result of the actuarial valuation of the present value of the long-term long service leave liability for the four administered schemes.

This was partially offset by \$1.33 million (10.24 per cent) higher finance costs primarily related to the unwinding of the discount rate used for assessing the long service leave benefits provision, and \$0.86 million (21.03 per cent) higher employee and superannuation expenses due to recruitment of additional positions required to support expansion into the new industries, implementation and maintenance of the new administration system, and to meet the management requirements of a larger workforce.

### Comparison to 2023-24 actual expenses

Total expenses increased by \$0.25 million (0.40 per cent) compared to the 2023-24 actual.

Long service leave benefit expenses decreased by \$4.09 million (9.35 per cent) and finance costs increased by \$2.67 million (22.94 per cent) largely due to the actuarial review of the present value of the long-term long service leave liability for the four administered schemes.

Employee and superannuation expenses increased by \$1.11 million (28.70 per cent) due to recruitment of additional positions required to support expansion into the new industries, implementation and maintenance of the new administration system, and to meet the management requirements of a larger workforce.

#### *Future trends*

Total expenses in the 2025-26 budget are expected to increase by \$17.21 million (27.74 per cent) mainly due to higher long service leave benefit expenses for all the four administered schemes in accordance with actuarial projections.

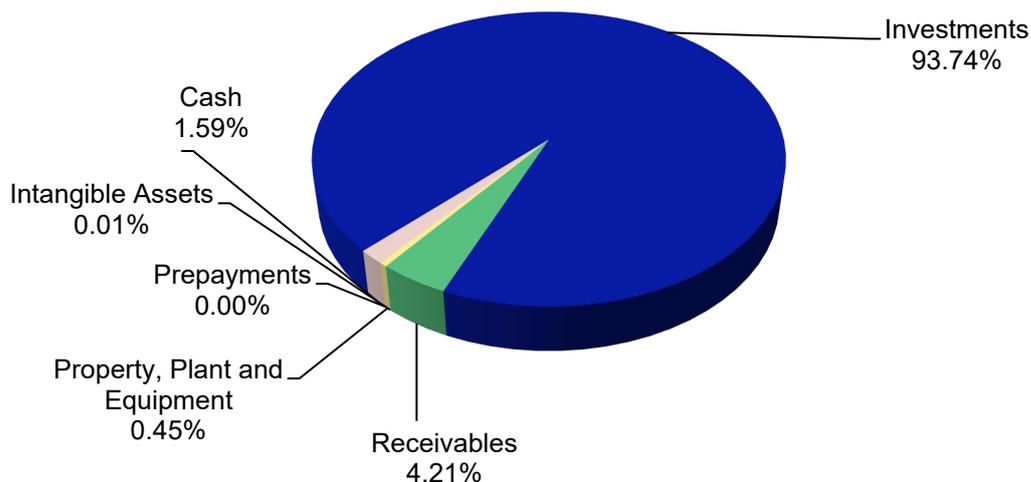
## **Financial position**

### **Total assets**

#### *Components of assets*

Figure 3 below shows that ACT Leave's assets comprise cash \$5.94 million (1.59 per cent) and investments of \$351.07 million (93.74 per cent), receivables of \$15.75 million (4.21 per cent), property, plant and equipment of \$1.70 million (0.45 per cent), intangible assets of \$0.04 million (0.01 per cent), and prepayments of \$0.02 million (0.00 per cent).

**Figure 3. Components of assets**



#### *Comparison to budget*

The total asset position of \$374.52 million as at 30 June 2025 was \$16.09 million (4.50 per cent) higher than the original budget mainly due to a higher than anticipated return on investments.

#### *Comparison to 2023-24 actuals*

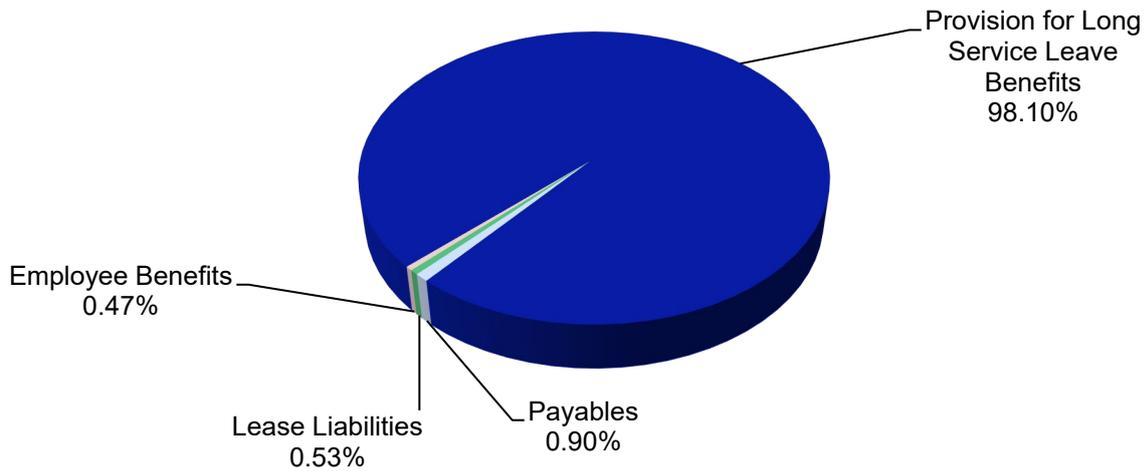
ACT Leave's total asset position at 30 June 2025 was higher than at 30 June 2024 by \$50.32 million (15.52 per cent) primarily as a result of an increase in the value of investments due to the positive investment return of 13.74 per cent in 2024-25 and additional investments made during the year, including investment distributions that ACT Leave reinvested for additional units.

## Total liabilities

### Components of liabilities

Figure 4 below indicates that the majority of ACT Leave's liabilities are provisions for long service leave benefits of \$276.86 million (98.10 per cent). Liabilities also include payables of \$2.53 million (0.90 per cent), lease liabilities of \$1.50 million (0.53 per cent), and employee benefits of \$1.32 million (0.47 per cent).

**Figure 4. Components of liabilities**



### Comparison to Budget

The total liabilities position as at 30 June 2025 was lower than the budget expectation by \$37.37 million (11.69 per cent) mainly due to lower than anticipated long service leave benefit payments accrued as a result of the revised actuarial valuation, based on the projected number of workers, wage growth, and other actuarial demographic assumptions, for all administered schemes.

### Comparison to 2023-24 Actuals

The total liabilities position as at 30 June 2025 was \$25.16 million (9.79 per cent) higher than the position as at 30 June 2024 primarily due to the actuarial valuation of the present value of the long service leave liability for the four administered schemes. All four schemes' long service leave liability increased, with the growth mainly from the Building and Construction Industry Scheme (\$12.95 million) and Community Sector Industry Scheme (\$9.86 million). The key factors contributing to the increase include service-based wage inflation, moderate growth in all four industries, and unwinding of the discount rate to recognise that ACT Leave's liabilities are one year closer.

## Liquidity

Liquidity is the ability of ACT Leave to satisfy its short-term debts as they fall due. A common indicator for liquidity is the current ratio, which compares the ability to fund short-term liabilities from short-term assets. As funds are quarantined within each scheme, the tables below indicate the liquidity position of each of the administered schemes.

### Building and Construction Industry Scheme

Description	Prior Year Actual 2024	Current Year Budget 2025	Current Year Actual 2025	Forward Year Budget 2026	Forward Year Budget 2027	Forward Year Budget 2028
At 30 June	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Current Assets	188,263	204,858	213,983	231,746	252,334	273,953
Current Liabilities	130,641	154,080	145,261	163,551	181,838	205,626
Current Ratio	<b>1.44:1</b>	<b>1.33:1</b>	<b>1.47:1</b>	<b>1.42:1</b>	<b>1.39:1</b>	<b>1.33:1</b>

ACT Leave classified the current long service leave liabilities in accordance with the *Australian Accounting Standard AASB 101: 'Presentation of Financial Statements'*, which includes the liabilities that ACT Leave has no unconditional right to defer within the 12 months after the end of the reporting period. The rest of the long service leave liability is then classified as non-current.

The Building and Construction Industry Scheme's current ratio at 30 June 2025 is 1.47:1, which is higher than the actual current ratio at 30 June 2024, and higher than the budgeted ratio at 30 June 2025. The scheme's liquidity ratio is expected to decrease over the next three years. The Building and Construction Industry Scheme has sufficient assets to cover liabilities in the short term and future years.

### Services/Contract Cleaning Industry Scheme

Description	Prior Year Actual 2024	Current Year Budget 2025	Current Year Actual 2025	Forward Year Budget 2026	Forward Year Budget 2027	Forward Year Budget 2028
At 30 June	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Current Assets	22,522	24,574	24,498	25,547	32,646	39,975
Current Liabilities	11,661	14,159	12,194	14,359	17,140	20,106
Current Ratio	<b>1.93:1</b>	<b>1.74:1</b>	<b>2.01:1</b>	<b>1.78:1</b>	<b>1.90:1</b>	<b>1.99:1</b>

The Services Industry Scheme's liquidity ratio remains high. It is expected to decrease in the next year, and to increase again in the two following years as a result of contribution levy inflows from the new Services Industry Scheme employers and before the workers reach an entitlement. The Services Industry Scheme has sufficient assets to cover the short-term liabilities at 30 June 2025 and the future years.

### Community Sector Industry Scheme

Description	Prior Year Actual 2024	Current Year Budget 2025 \$'000s	Current Year Actual 2025 \$'000s	Forward Year Budget 2026 \$'000s	Forward Year Budget 2027 \$'000s	Forward Year Budget 2028 \$'000s
<b>At 30 June</b>	<b>\$'000s</b>					
Current Assets	102,864	117,250	124,274	140,954	160,314	180,285
Current Liabilities	67,381	89,066	75,351	100,873	126,130	161,081
Current Ratio	<b>1.53:1</b>	<b>1.32:1</b>	<b>1.65:1</b>	<b>1.40:1</b>	<b>1.27:1</b>	<b>1.12:1</b>

The Community Sector Industry Scheme has sufficient assets to meet its short-term debts at 30 June 2025. The current ratio remains sound but is expected to decline in the next three years as the scheme progressively grows and matures.

### Security Industry Scheme

Description	Prior Year Actual 2024	Current Year Budget 2025 \$'000s	Current Year Actual 2025 \$'000s	Forward Year Budget 2026 \$'000s	Forward Year Budget 2027 \$'000s	Forward Year Budget 2028 \$'000s
<b>At 30 June</b>	<b>\$'000s</b>					
Current Assets	8,980	10,048	10,527	11,541	12,820	14,170
Current Liabilities	7,093	8,481	8,028	9,088	10,639	13,204
Current Ratio	1.27:1	1.18:1	1.31:1	1.27:1	1.21:1	1.07:1

The Security Industry Scheme, which commenced in January 2013, has sufficient assets to meet its short-term debts at 30 June 2025. The current ratio remains strong but is expected to decline in the next three years as the scheme matures.

## Impact of gains from remeasurement of assets on the operating result

The extract below does not represent the full Financial Statements and notes in accordance with the Australian Accounting Standards. For a full understanding of ACT Leave's financial performance, this extract should be read in conjunction with the notes and disclosures presented in the audited Financial Statements.

ACT Leave is required to prudently invest long service leave employer contributions to ensure that there are sufficient assets to meet long service leave liabilities. The investments are managed by an independent professional investment manager (Vanguard Australia) in accordance with the Investment Plan approved by the Treasurer. ACT Leave's investment objective is to achieve a target return after fees of Australian Average Weekly Ordinary Time Earnings (AWOTE) plus 2.5 per cent over a rolling five-year period.

Investment returns may fluctuate significantly from year to year due to a reasonably foreseeable movement in markets. Such fluctuations have a material impact on ACT Leave's operating result. The extract below shows ACT Leave's operating result for 2023-24 and 2024-25 financial years before and after gains/losses on investments. For the year ended 30 June 2025 ACT Leave is showing an operating result of \$25.16 million, however an operating loss of \$4.85 million before Gains from Remeasurement of Assets (gains on investments).

<b>Operating Statement for the Year Ended</b>	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>		
Contributions from Employers and Contractors	46,960	39,123
Investment Revenue	9,636	11,804
Other Income	502	601
Sales of Services from Contracts with Customers	79	105
Grants and Contributions	6	17
<b>Total Income (excluding return on investments)</b>	<b>57,183</b>	<b>51,650</b>
<b>Expenses</b>		
Employee Expenses	4,978	3,868
Supplies and Services	2,545	2,012
Depreciation and Amortisation	317	308
Long Service Leave Benefits Expenses	39,633	43,720
Finance Costs	14,298	11,630
Other Expenses	259	243
<b>Total Expenses</b>	<b>62,030</b>	<b>61,781</b>
<b>Operating Result before Gains from Remeasurement of Assets</b>	<b>(4,847)</b>	<b>(10,131)</b>
Gains from Remeasurement of Assets	30,005	20,890
<b>Operating Result</b>	<b>25,158</b>	<b>10,759</b>

## **C2. Financial statements**

# **FINANCIAL STATEMENTS LONG SERVICE LEAVE AUTHORITY**

**For the Year Ended  
30 June 2025**

## INDEPENDENT AUDITOR'S REPORT

### To the Members of the ACT Legislative Assembly

#### Opinion

I have audited the financial statements of the Long Service Leave Authority (Authority) for the year ended 30 June 2025 which comprise the statement of responsibility and statement by the chief finance officer, operating statement, balance sheet, statement of changes in equity, statement of cash flows, statement of appropriation and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In my opinion, the accompanying financial statements:

- (i) present fairly, in all material respects, the Authority's financial position as at 30 June 2025, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards.

#### Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

#### Responsibilities of the Authority for the financial statements

The Governing Board is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996* and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Authority to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

## **Auditor's responsibilities for the audit of the financial statements**

Under the *Financial Management Act 1996*, the Auditor-General is responsible for issuing an audit report that includes an independent opinion on the financial statements of the Authority.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are 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 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 the financial statements.

As part of an audit in accordance with 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 statements, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Authority's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Authority;
- conclude on the appropriateness of the Authority's use of the going concern basis of accounting and, based on 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 this report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Authority to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Governing 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.



Rosa San Miguel  
Audit Principal, Financial Audit  
23 September 2025

**LONG SERVICE LEAVE AUTHORITY**  
**Financial Statements**  
**For the Year Ended 30 June 2025**

**Statement of Responsibility**

As the Chairperson of the Long Service Leave Authority (ACT Leave), I am responsible for the preparation of the annual financial report as well as the judgements exercised in preparing it. In my opinion, ACT Leave's financial statements fairly reflect the financial operations for the year ended 30 June 2025 and the financial position on that date.



Anne O'Donnell  
Chairperson  
Long Service Leave Authority  
22 September 2025

**LONG SERVICE LEAVE AUTHORITY**  
**Financial Statements**  
**For the Year Ended 30 June 2025**

**Statement by the Chief Finance Officer**

In my opinion, ACT Leave's financial statements have been prepared in accordance with the Australian Accounting Standards and the ACT Accounting and Disclosure policies, are in agreement with its accounts and records, and fairly reflect its financial operations for the year ended 30 June 2025 and the financial position on that date.



Elena Agrizko  
Chief Finance Officer  
Long Service Leave Authority  
22 September 2025

# LONG SERVICE LEAVE AUTHORITY

## CONTENT OF FINANCIAL STATEMENTS

### **Financial Statements**

Operating Statement

Balance Sheet

Statement of Changes in Equity

Statement of Cash Flows

### **Overview Notes**

Note 1 Objectives of the Long Service Leave Authority

Note 2 Basis of Preparation of the Financial Statements

Note 3 Impact of Accounting Standards Issued But Yet to be Applied

Note 4 Change in Accounting Estimates

### **Income Notes**

Note 5 Contributions from Employers and Contractors

Note 6 Gains from Remeasurement of Assets

Note 7 Investment Revenue

### **Expense Notes**

Note 8 Employee Expenses

Note 9 Supplies and Services

Note 10 Waivers, Impairment Losses and Write Offs

Note 15 Provision for Long Service Leave Benefits

### **Asset Notes**

Note 11 Cash and Investments

Note 12 Receivables

Note 13 Property, Plant and Equipment

### **Liability Notes**

Note 14 Payables

Note 15 Provision for Long Service Leave Benefits

Note 16 Employee Benefits

### **Other Notes**

Note 17 Operating Statement and Balance Sheets for Long Service Leave Schemes

Note 18 Financial Instruments

Note 19 Commitments

Note 20 Contingent Liabilities and Contingent Assets

Note 21 Related Party Disclosure

Note 22 Budgetary Reporting

**Long Service Leave Authority**  
**Operating Statement**  
**For the Year Ended 30 June 2025**

	Note No.	Actual 2025 \$'000	Original Budget 2025 \$'000	Actual 2024 \$'000
<b>Income</b>				
Contributions from Employers and Contractors	5	46,960	46,667	39,123
Gains from Remeasurement of Assets	6	30,005	10,080	20,890
Investment Revenue	7	9,636	9,617	11,804
Sales of Services from Contracts with Customers		79	52	105
Grants and Contributions Income		6	-	17
Other Income		502	382	601
<b>Total Income</b>		<b>87,188</b>	<b>66,798</b>	<b>72,540</b>
<b>Expenses</b>				
Employee Expenses	8	4,978	4,113	3,868
Supplies and Services	9	2,545	2,625	2,012
Depreciation and Amortisation	13	317	252	308
Long Service Leave Benefits Expenses	15	39,633	53,077	43,720
Finance Costs <sup>1</sup>		14,298	12,970	11,630
Other Expenses <sup>2</sup>		259	106	243
<b>Total Expenses</b>		<b>62,030</b>	<b>73,143</b>	<b>61,781</b>
<b>Operating Result</b>		<b>25,158</b>	<b>(6,345)</b>	<b>10,759</b>
<b>Other Comprehensive Income</b>				
<i>Items that will not be reclassified subsequently to profit and loss</i>				
Increase in the Asset Revaluation Surplus		-	-	30
<b>Total Other Comprehensive Result</b>		<b>-</b>	<b>-</b>	<b>30</b>
<b>Total Comprehensive Result</b>		<b>25,158</b>	<b>(6,345)</b>	<b>10,789</b>

The above Operating Statement is to be read in conjunction with the accompanying notes.

<sup>1</sup> Finance Costs include \$14.267m (\$11.597m in 2023-24) unwinding of discount rate for the long service leave liability estimate (see Note 15 – *Provision for Long Service Leave Benefits*) and the remaining corresponds to interest expenses incurred for ACT Leave's leases under AASB 16 *Leases*.

<sup>2</sup> Other Expenses include \$0.241m (\$0.174m in 2023-24) related to waivers, impairment losses and write offs – see Note 10 – *Waivers, Impairment Losses and Write Offs* for further detail.

**Long Service Leave Authority**  
**Balance Sheet**  
**As at 30 June 2025**

	Note No.	Actual 2025 \$'000	Original Budget 2025 \$'000	Actual 2024 \$'000
<b>Current Assets</b>				
Cash	11	5,942	9,940	6,586
Investments	11	351,072	331,732	301,564
Receivables	12	15,750	15,057	14,059
Prepayments		15	-	23
<b>Total Current Assets</b>		<b>372,779</b>	<b>356,729</b>	<b>322,232</b>
<b>Non-Current Assets</b>				
Intangible Assets		41	-	82
Property, Plant and Equipment	13	1,697	1,696	1,882
<b>Total Non-Current Assets</b>		<b>1,738</b>	<b>1,696</b>	<b>1,964</b>
<b>Total Assets</b>		<b>374,517</b>	<b>358,425</b>	<b>324,196</b>
<b>Current Liabilities</b>				
Payables	14	2,529	1,802	1,649
Lease Liabilities		146	175	133
Provision for Long Service Leave Benefits	15			
- Expected to be Settled Within 12 months		24,992	26,610	23,439
- Expected to be Settled After 12 months		211,451	236,187	190,044
Employee Benefits	16	1,212	1,011	1,113
<b>Total Current Liabilities</b>		<b>240,330</b>	<b>265,786</b>	<b>216,378</b>
<b>Non-Current Liabilities</b>				
Lease Liabilities		1,353	1,320	1,462
Provision for Long Service Leave Benefits	15	40,414	52,323	39,136
Employee Benefits	16	106	144	64
<b>Total Non-Current Liabilities</b>		<b>41,873</b>	<b>53,787</b>	<b>40,662</b>
<b>Total Liabilities</b>		<b>282,203</b>	<b>319,572</b>	<b>257,040</b>
<b>Net Assets</b>		<b>92,314</b>	<b>38,853</b>	<b>67,156</b>
<b>Equity</b>				
Accumulated Funds		92,134	38,853	66,976
Asset Revaluation Surplus		180	-	180
<b>Total Equity</b>		<b>92,314</b>	<b>38,853</b>	<b>67,156</b>

The above Balance Sheet is to be read in conjunction with the accompanying notes.

**Long Service Leave Authority**  
**Statement of Changes in Equity**  
**For the Year Ended 30 June 2025**

	Accumulated Funds Actual 2025 \$'000	Asset Revaluation Surplus Actual 2025 \$'000	Total Equity Actual 2025 \$'000	Original Budget 2025 \$'000
<b>Balance at 1 July 2024</b>	<b>66,976</b>	<b>180</b>	<b>67,156</b>	<b>45,198</b>
<b>Comprehensive Income</b>				
Operating Result	25,158	-	25,158	(6,345)
<b>Total Comprehensive Result</b>	<b>25,158</b>	<b>-</b>	<b>25,158</b>	<b>(6,345)</b>
<b>Balance at 30 June 2025</b>	<b>92,134</b>	<b>180</b>	<b>92,314</b>	<b>38,853</b>

	Accumulated Funds Actual 2024 \$'000	Asset Revaluation Surplus Actual 2024 \$'000	Total Equity Actual 2024 \$'000
<b>Balance at 1 July 2023</b>	<b>56,217</b>	<b>150</b>	<b>56,367</b>
<b>Comprehensive Income</b>			
Operating Result	10,759	-	10,759
Increase in the Asset Revaluation Surplus	-	30	30
<b>Total Comprehensive Result</b>	<b>10,759</b>	<b>30</b>	<b>10,789</b>
<b>Balance at 30 June 2024</b>	<b>66,976</b>	<b>180</b>	<b>67,156</b>

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

**Long Service Leave Authority**  
**Statement of Cash Flows**  
**For the Year Ended 30 June 2025**

	Note	Actual	Original	Actual
	No.	2025	Budget	2024
		\$'000	\$'000	\$'000
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Contributions from Employers and Contractors		44,843	43,064	37,444
Interest Received		355	138	349
Revenue from Other Sources		140	205	174
Sales of Services from Contracts with Customers		79	52	58
Goods and Services Tax Input Tax Credits from the Australian Taxation Office		144	117	201
Goods and Services Tax Collected from Customers		155	81	140
<b>Total Receipts from Operating Activities</b>		<b>45,716</b>	<b>43,657</b>	<b>38,366</b>
<b>Payments</b>				
Payments of Long Service Leave Benefits		(29,106)	(23,439)	(27,149)
Payments to Suppliers and Employees		(7,255)	(6,821)	(5,432)
Goods and Services Tax Paid to Suppliers		(408)	(44)	(350)
Repayment of Lease Liabilities - Interest		(31)	(31)	(33)
<b>Total Payments from Operating Activities</b>		<b>(36,800)</b>	<b>(30,335)</b>	<b>(32,964)</b>
<b>Net Cash Inflows from Operating Activities</b>	11	<b>8,916</b>	<b>13,321</b>	<b>5,402</b>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts</b>				
Proceeds from Sale of Investments		1,000	500	200
<b>Total Receipts from Investing Activities</b>		<b>1,000</b>	<b>500</b>	<b>200</b>
<b>Payments</b>				
Purchase of Investments		(10,380)	(9,150)	(5,700)
Purchase of Property, Plant and Equipment		(45)	-	(166)
Purchase of Intangibles		-	-	(19)
<b>Total Payments from Investing Activities</b>		<b>(10,425)</b>	<b>(9,150)</b>	<b>(5,885)</b>
<b>Net Cash (Outflows) from Investing Activities</b>		<b>(9,425)</b>	<b>(8,650)</b>	<b>(5,685)</b>
<b>Cash Flows from Financing Activities</b>				
<b>Payments</b>				
Repayment of Lease Liabilities - Principal		(135)	(167)	(127)
<b>Total Payments from Financing Activities</b>		<b>(135)</b>	<b>(167)</b>	<b>(127)</b>
<b>Net Cash (Outflows) from Financing Activities</b>		<b>(135)</b>	<b>(167)</b>	<b>(127)</b>
<b>Net (Decrease)/Increase in Cash</b>		<b>(644)</b>	<b>4,504</b>	<b>(410)</b>
Cash at the Beginning of the Reporting Period		6,586	5,436	6,996
<b>Cash at the End of the Reporting Period</b>	11	<b>5,942</b>	<b>9,940</b>	<b>6,586</b>

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

In 2024-25, ACT Leave directly reinvested Investment distributions and the Management fee rebate for additional units. Reinvestment does not result in cash inflows or outflows. The reinvestment is reported as a non-cash item in Note 11 – *Cash and Investments*.

# **LONG SERVICE LEAVE AUTHORITY**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2025**

#### **NOTE 1. OBJECTIVES OF THE LONG SERVICE LEAVE AUTHORITY**

The Long Service Leave Authority (ACT Leave) is a not-for-profit ACT Government Territory Authority in the General Government Sector, established under the *Long Service Leave (Portable Schemes) Act 2009* (the Act) and commenced operations on 1 January 2010. ACT Leave administers four schemes which provide portability of long service leave benefits for registered workers in the Building and Construction Industry (Construction), the Services Industry (Services), the Community Sector Industry (Community), and the Security Industry (Security) in the ACT. On 29 March 2023, the ACT Legislative Assembly passed the *Long Service Leave (Portable Schemes) Amendment Act 2023*, which expands portable long service leave schemes in the ACT to additional industries. The new Services Industry Scheme, incorporating the previously existing Contract Cleaning Scheme, commenced on 1 April 2025, and will cover Hairdressing and Beauty, and Accommodation and Food services from 1 July 2026.

ACT Leave makes payments and keeps registers of employers and workers for the covered industries in accordance with the Act. ACT Leave's primary stakeholders are the employers, employees and independent contractors engaged in the industries covered in the ACT. ACT Leave's financial statements are a consolidation of financial statements of the administered schemes. ACT Leave established separate funds for each of the administered schemes and funds are not cross-subsidised. See Note 17 – *Operating Statement and Balance Sheet for Long Service Leave Schemes* for further details.

#### **NOTE 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

##### **Legislative Requirements**

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government territory authorities. The FMA and the *Financial Management Guidelines* issued under the Act, require a territory authority's financial statements to include:

- i. an Operating Statement for the year
- ii. a Balance Sheet at the end of the year
- iii. a Statement of Changes in Equity for the year
- iv. a Statement of Cash Flows for the year and
- v. other statements as necessary to fairly reflect the financial operations of the agency during the year and its financial position at the end of the year.

These general-purpose financial statements have been prepared in accordance with:

- i. Australian Accounting Standards (as required by the FMA) and
- ii. ACT Accounting and Disclosure Policies.

##### **Accrual Accounting**

The financial statements have been prepared using the accrual basis of accounting. The financial statements are prepared according to historical cost convention, except for non-current assets held for sale, property, plant and equipment and financial instruments which are valued at fair value in accordance with (re)valuation policies applicable to ACT Leave during the reporting period.

##### **Currency**

These financial statements are presented in Australian dollars, which is ACT Leave's functional currency.

##### **Reporting Period**

These financial statements state the financial performance, changes in equity and cash flows of ACT Leave for the year ended 30 June 2025 together with the financial position of ACT Leave as at 30 June 2025.

# LONG SERVICE LEAVE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### NOTE 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS - CONTINUED

#### Comparative Figures

##### *Budget Figures*

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2024-25 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the Statement of Intent.

##### *Prior Year Comparatives*

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements, except where an Australian Accounting Standard does not require comparative information to be disclosed.

Where the presentation or classification of items in the financial statements is amended, the comparative amounts have been reclassified where practical. Where a reclassification has occurred, the nature, amount and reason for the reclassification is provided.

##### *Rounding*

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000). Use of "-" represents zero amounts or amounts rounded down to zero.

#### Going Concern

The 2024-25 financial statements have been prepared on a going concern basis as the ongoing functions, activities and funding of ACT Leave are set out in the 2025-26 Statement of Intent. The Statement of Intent includes forward estimates for ACT Leave. There are reasonable grounds to believe that ACT Leave will be able to pay its liabilities as and when these amounts fall due.

#### Taxation

ACT Leave is an exempt organisation under income tax legislation and therefore is not subject to Income Tax under section 50-25 of the *Income Tax Assessment Act 1997*. ACT Leave is liable to pay Fringe Benefits Tax and Goods and Services Tax.

### NOTE 3. IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

All Australian Accounting Standards and Interpretations issued but yet to be applied are applicable to future reporting periods and will be adopted from their application date.

Standards and Interpretations issued but yet to be applied have been assessed as not being relevant to ACT Leave or will have an immaterial financial impact on ACT Leave. However, AASB 18 *Presentation and Disclosure in Financial Statements* (applicable 1 January 2027 for for-profit public sector entities or applicable 1 January 2028 for not-for-profit public sector entities) does contain some major presentation/disclosure changes that will impact ACT Leave including:

- that operating, investing and financing categories as well as additional subtotals have to be included in ACT Leave's operating statement
- the disclosure of management-defined performance measures and reconciliations of these measures with the subtotals required by AASB Standards and
- enhanced requirements for the grouping (aggregation and disaggregation) of information in the financial statements and in the notes.

The AASB is currently reviewing the application of the disclosure requirements in AASB 18 to public sector not-for-profit agencies. This review may result in not-for-profit ACT Government agencies being able to continue applying the existing disclosure requirements contained in AASB 101 *Presentation of Financial Statements* after the new AASB 18 is released.

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 4. CHANGE IN ACCOUNTING ESTIMATES**

ACT Leave recognises a total liability for accrued long service leave benefits based on an assessment performed by an independent actuary – PricewaterhouseCoopers Securities Ltd. The actuary estimates the liability using a complex model and a large number of assumptions that are based on historical information and the current profile of the registered participants. For the detail of assumptions used in 2024-25 see Note 15 – *Provision for Long Service Leave Benefits*. There was no change in demographic assumptions used in 2024-25, consequently the effect of change in an accounting estimate was Nil in 2024-25.

**INCOME NOTES**

**Material Accounting Policies - Income**

**Income Recognition**

Revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers* where the contract is enforceable and contains sufficiently specific performance obligations, otherwise income is in the scope of AASB 1058 *Income of not-for-profit entities*.

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 5. CONTRIBUTIONS FROM EMPLOYERS AND CONTRACTORS**

**Description and Material Accounting Policies Relating to Contributions from Employers and Contractors**

Contribution revenue is derived from employers and contractors (voluntary members) as part of ACT Leave's statutory role of providing portable long service leave benefits to registered employees and contractors. The contributions are paid by registered employers and contractors in accordance with the Act.

In relation to Contributions from Employers and Contractors, the Act does not require ACT Leave to provide an equal amount in return for the consideration received. As such, AASB 1058 *Income of Not-for-Profit entities* has been applied for recognising contribution revenue. This revenue is recognised at the time when the quarterly contribution levy is payable from external employers and contractors.

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Contributions from Employers and Contractors</b>		
- Building and Construction Industry <sup>3</sup>	22,170	19,388
- Services/Contract Cleaning Industry	1,560	1,386
- Community Sector Industry <sup>4</sup>	21,723	17,314
- Security Industry	1,507	1,035
<b>Total Contributions from Employers and Contractors</b>	<b>46,960</b>	<b>39,123</b>
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Gross Contributions from Employers and Contractors	47,181	39,204
(Employer Levy Refunds)	(221)	(81)
<b>Total Contributions from Employers and Contractors</b>	<b>46,960</b>	<b>39,123</b>

<sup>3</sup> Contributions from Employers and Contractors in the Building and Construction Industry increased in 2024-25 due to a combination of an employer levy rate increase by 40 basis points (approximately 17% increase) from 1 October 2024 and baseline wage inflation.

<sup>4</sup> Community Sector Industry contributions increased compared to 2023-24 due to an employer levy rate increase from 1 July 2024 by 25 basis points (approximately 15% increase), a higher number of active workers with service recorded in 2024-25 (5.4% increase compared to 2023-24), and baseline wage inflation.

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 6. GAINS FROM REMEASUREMENT OF ASSETS**

**Description and Material Accounting Policies Relating to Gains from Remeasurement of Assets**

Gains on investments are included in the operating statement for the period in which they arise and represent the net change in value of investments excluding revenue from distributions and fee rebates.

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Gains from Investments</b>		
- Building and Construction Industry	17,428	12,452
- Services/Contract Cleaning Industry	2,084	1,517
- Community Sector Industry	9,643	6,329
- Security Industry	850	592
<b>Total Gains from Investments<sup>5</sup></b>	<b>30,005</b>	<b>20,890</b>

**NOTE 7. INVESTMENT REVENUE**

**Description and Material Accounting Policies Relating to Investment Revenue**

Investment revenue comprises quarterly investment distribution and management fee rebate. It is recognised by ACT Leave on an accrual basis and when ACT Leave's right to receive the payment is established.

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Investment Distribution and Management Fee Rebate<sup>6</sup></b>		
- Building and Construction Industry	5,602	7,024
- Services Industry	668	864
- Community Sector Industry	3,097	3,583
- Security Industry	269	333
<b>Total Investment Distribution and Management Fee Rebate</b>	<b>9,636</b>	<b>11,804</b>
<b>Total Investment Revenue<sup>7</sup></b>	<b>9,636</b>	<b>11,804</b>

<sup>5</sup> ACT Leave achieved an average investment rate of return of 13.7% per annum in 2024-25 compared with 12.4% per annum in 2023-24. This, combined with a higher investments base (average of \$329.3m in 2024-25 compared to \$283.1m in 2023-24), contributed to higher Gains from Investments across all four schemes.

<sup>6</sup> Each scheme administered by ACT Leave can choose whether to take quarterly investment distributions in cash or as additional units. In 2024-25, ACT Leave opted to reinvest investment distributions and management fee rebates for additional units. Reinvestment does not result in cash inflows or outflows; therefore, it is not included in the Statement of Cash Flows. This income is reported as a non-cash item in Note 11 *Cash & Investments*.

<sup>7</sup> The decrease in the 2024-25 Investment Revenue was mainly due to lower quarterly investment distributions in 2024-25.

# LONG SERVICE LEAVE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2025

#### EXPENSE NOTES

#### NOTE 8. EMPLOYEE EXPENSES

##### **Description and Material Accounting Policies Relating to Employee Expenses**

Employee expenses comprise all costs incurred in relation to employing staff including wages and salaries, fringe benefits tax, leave entitlements, annual leave loading, termination payments, workers' compensation insurance premiums, accrued flextime, and other employee benefits and on-cost expenses.

Wages and salaries are recognised in the reporting period when the employee renders services to ACT Leave. They are measured based on the amount paid to employees during the year as well as any wages and salaries due to employees that remain unpaid at the end of the financial year.

##### *Superannuation Expense*

Employees of ACT Leave will have different superannuation arrangements due to the type of superannuation scheme available at the time of commencing employment, including both defined benefit and defined contribution superannuation scheme arrangements.

For employees who are members of the defined benefit Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS), ACT Leave makes employer superannuation contribution payments to the Territory Banking Account at a rate determined by the Chief Minister, Treasury and Economic Development Directorate. ACT Leave also makes productivity superannuation contribution payments on behalf of these employees to the Commonwealth Superannuation Corporation, which is responsible for administration of the schemes.

For employees who are members of defined contribution superannuation schemes (the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice), ACT Leave makes employer superannuation contribution payments directly to the employee's relevant superannuation fund.

All defined benefit employer superannuation contributions are recognised as expenses on the same basis as the employer superannuation contributions made to defined contribution schemes. The accruing superannuation liability obligations are expensed as they are incurred and extinguished as they are paid.

ACT Leave's employed staff are officers of the ACT Public Service.

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 8. EMPLOYEE EXPENSES - CONTINUED**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Employee Expenses</b>		
Wages and Salaries	4,154	3,012
Superannuation Expense	663	492
Flextime expense	33	-
Annual Leave Expense	96	122
Long Service Leave Expense	(21)	203
Workers Compensation Insurance Premium	48	33
FBT Expense	5	6
<b>Total Employee Expenses<sup>8</sup></b>	<b>4,978</b>	<b>3,868</b>
	<b>Number</b>	<b>Number</b>
Average Staffing Levels	<b>36.1</b>	<b>28.1</b>

**NOTE 9. SUPPLIES AND SERVICES**

**Description and Material Accounting Policies Relating to Supplies and Services**

*General – Supplies and Services*

Purchases of Supplies and Services generally represent the day-to-day running costs incurred in normal operations, recognised in the reporting period in which these expenses are incurred.

*Administration System Implementation*

In July 2023 ACT Leave entered into an agreement for the provision of a new system used for the administration of long service leave schemes under a Software as a Service (SaaS) arrangement. System implementation costs are associated with customisation, enhancement and data migration to the new system, that went live in December 2024.

*Computer Consumables and Programming*

Computer Consumables and Programming relate to licence, hosting and maintenance costs of the administration system and other computer software and support.

*Consultants and Contractors*

Consultants and Contractors relate to internal audit activities carried out by external consultants, and business improvement projects and external audit fees as described below.

<sup>8</sup> Higher employee expenses in 2024-25 are consistent with an increase in the number of Full-Time Equivalent Employees in preparation for the expansion of portable long service leave schemes to additional industries, to support implementation and maintenance of the new administration system, and to meet the management requirements of a larger workforce. Overall, in 2024-25 ACT Leave's staffing level increased by 5 Full-Time Equivalent Employees (11 in 2023-24).

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 9. SUPPLIES AND SERVICES - CONTINUED**

*Auditors Service Fees*

External Audit Fees are included in the Consultants and Contractors line item below. Auditor's remuneration consists of financial audit services provided to ACT Leave by the ACT Audit Office. ACT Leave's audit fee for the audit of its 2024-25 financial statements and review of its statement of performance was \$107,357 (\$80,311 in 2023-24). No other services were provided by the ACT Audit Office.

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Supplies and Services</b>		
Consultants and Contractors	821	792
Administration System Implementation <sup>9</sup>	590	315
Computer Consumables and Programming <sup>10</sup>	441	254
Subscriptions	99	53
Advertisement	89	11
Actuarial Charges	87	127
Board Member Fees	87	84
Postage	63	57
Shared Services	57	26
Electricity and Cleaning	43	43
Staff Training	28	29
Debt Collection	18	26
Legal Fees	12	108
Other	110	87
<b>Total Supplies and Services</b>	<b>2,545</b>	<b>2,012</b>

<sup>9</sup> The new administration system went live in December 2024. The implementation costs relate to the milestone payments negotiated in the contract. The increase is associated with delivery of major milestones and data migration in 2024-25.

<sup>10</sup> The increase in Computer Consumables and Programming expenses in 2024-25 is associated with licence and hosting costs of the new administration system.

# LONG SERVICE LEAVE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2025

#### NOTE 10. WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

##### Description and Material Accounting Policies Relating to Waivers, Impairment Losses and Write-Offs

###### *Waivers*

A waiver is the relinquishment of a legal claim to a debt over which ACT Leave has control. Under section 49A(3) of the Act, the Registrar may waive late fees (penalties) associated with the failure to lodge quarterly returns.

Infringement Notices are served in accordance with the *Magistrates Court (Long Service Leave Portable Schemes Infringement Notices) Regulation 2020*. Section 126 of the *Magistrates Court Act 1930* provides for the waiver of infringement notice penalties by the administering authority (the Registrar).

###### *Impairment Losses – Accounts Receivable*

The impairment loss and write-off of a debt is the accounting action taken to remove a debt from the financial accounts but does not relinquish the legal right of ACT Leave to recover the amount. An assessment matrix is used to calculate the amount of lifetime expected credit loss which factors practical and justifiable forward-looking information, including forecasted economic changes expected to impact ACT Leave's receivables (See Note 12 - *Receivables*). This method is based on the possibility of default events occurring over the lifetime of the loans.

###### *Impairment Losses – Non-Financial Assets*

Impairment loss expenses are recognised for both property, plant and equipment, and intangible assets when their carrying amount is higher than their recoverable amount, with the difference between the two estimates being the amount of the impairment loss. Impairment losses for plant and equipment, and intangible assets are recognised as an expense in the Operating Statement.

The waivers, impairment losses and write-off amounts listed below have occurred during the reporting period for ACT Leave. Waivers, impairment losses and write-offs are included in Other Expenses.

	2025 \$'000	2024 \$'000
<b>Waivers</b>		
Waivers of Penalty Payment	46	40
Waivers of Infringement Notices <sup>11</sup>	-	19
<b>Total Waivers</b>	<b>46</b>	<b>59</b>
<b>Impairment Losses from Receivables</b>		
Expected Credit Loss Expense <sup>12</sup>	193	102
<b>Total Impairment Losses from Receivables</b>	<b>193</b>	<b>102</b>
<b>Impairment Losses from Non-Financial Assets</b>		
Property, Plant and Equipment	2	7
Intangible assets	-	6
<b>Total Impairment Losses from Non-Financial Assets</b>	<b>2</b>	<b>13</b>
<b>Total Waivers, Impairment Losses and Write-Offs</b>	<b>241</b>	<b>174</b>

<sup>11</sup> In 2023-24, ACT Leave changed its policy in relation to infringements. An infringement notice does not give rise to a legally enforceable liability to pay the penalty and therefore an infringement is not considered a debt. Following this change, ACT Leave does not recognise an asset when an infringement is served. This resulted in no waivers in 2024-25 compared to 2023-24 when several waivers were processed prior to the policy change.

<sup>12</sup> Expected Credit Loss Expense increased in 2024-25 due to an increasing number of Building and Construction Industry employers being placed into administration or liquidation in recent years, resulting in debts that could not be recovered.

# LONG SERVICE LEAVE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2025

#### ASSET NOTES

#### NOTE 11. CASH AND INVESTMENTS

##### Description and Material Accounting Policies Relating to Cash and Investments

###### *Cash*

Cash includes cash at bank. ACT Leave holds four bank accounts with Westpac Banking Corporation, one for each administered scheme. The bank accounts earned a floating interest rate between 4.30% and 4.80% in 2024-25 (between 4.55% and 4.80% in 2023-24).

###### *Investments*

Investments made by ACT Leave are in accordance with the ACT Leave Investment Plan approved by the Treasurer. The Investment Plan sets a strategic asset allocation to meet ACT Leave's investment return objective. The investment return objective for ACT Leave's financial investments is the Australian Average Weekly Ordinary Time Earnings (AWOTE) averaged over five years + 2.5% per annum.

Investments are held as units in wholesale pooled funds managed by an independent investment manager (Vanguard Australia), with the underlying portfolio including fixed interest investments, property securities, and equity investments which are valued by the fund manager based on the market value of these asset classes. Investments are measured at fair value with any adjustments to the carrying amount recorded in the Operating Statement. Fair value is based on quoted market prices as at the reporting date. The quoted market price used is the current bid price.

Subsequent to initial measurement, investments are re-measured to fair value with changes in their fair value (gains/loss) recognised in the Operating Statement (Note 6 *Gains from Remeasurement of Assets*). Distributions earned on these investments are disclosed in Note 7 *Investment Revenue*.

##### a. Cash and Investment Balances

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash and Investments</b>		
<i>Cash</i>		
Building and Construction Industry	3,863	4,128
Services/Contract Cleaning Industry	296	88
Community Sector Industry	1,469	2,268
Security Industry	314	101
<b>Total Cash</b>	<b>5,942</b>	<b>6,586</b>
<i>Investments</i>		
Building and Construction Industry	201,778	176,278
Services/Contract Cleaning Industry	23,606	21,801
Community Sector Industry	115,866	94,977
Security Industry	9,822	8,508
<b>Total Investments<sup>13</sup></b>	<b>351,072</b>	<b>301,564</b>
<b>Total Cash and Investments</b>	<b>357,014</b>	<b>308,150</b>

<sup>13</sup> The Investments balance increased from 2023-24 due to a positive return on investments and new investments purchased during the year, including reinvestment of distributions and management fee rebates.

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 11. CASH AND INVESTMENTS - CONTINUED**

**b. Reconciliation of Cash at the End of the Reporting Period in the Statement of Cash Flows to the Equivalent Items in the Balance Sheet.**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Total Cash Recorded in the Balance Sheet	5,942	6,586
<b>Cash at the End of the Reporting Period as Recorded in the Statement of Cash Flows</b>	<b>5,942</b>	<b>6,586</b>

**c. Reconciliation of the Operating Result to Net Cash Inflows from Operating Activities**

Operating Result	25,158	10,759
<b>Add/(Less) Non-Cash Items</b>		
Gain on Investment	(30,005)	(20,890)
Investment Income	(9,625)	(11,044)
Depreciation and Amortisation	317	308
Waivers and Impairment Losses	241	174
Other Non-Cash Items	(12)	(95)
<b>Cash Before Changes in Operating Assets and Liabilities</b>	<b>(39,084)</b>	<b>(31,547)</b>
<b>Changes in Operating Assets and Liabilities</b>		
(Increase) in Trade or Other Receivables	(2,595)	(2,417)
Decrease in Other Assets	8	1
Increase in Accrued Long Service Leave Liability	24,238	28,177
Increase in Other Payables	1,050	117
Increase in Other Liabilities	141	312
<b>Net Changes in Operating Assets and Liabilities</b>	<b>22,842</b>	<b>26,190</b>
<b>Net Cash Inflows from Operating Activities</b>	<b>8,916</b>	<b>5,402</b>

**d. Reconciliation of liabilities arising from financing activities**

	<b>Lease Liabilities</b>
	<b>\$'000</b>
<b>2025</b>	
Carrying Amount at the Beginning of the Reporting Period	1,595
Cash Flow Changes	
Cash Paid	(166)
Non-Cash Changes	
New Leases	39
Other Movements	31
<b>Carrying Amount at the End of the Reporting Period</b>	<b>1,499</b>
<b>2024</b>	
Carrying Amount at the Beginning of the Reporting Period	1,722
Cash Flow Changes	
Cash Paid	(159)
Non-Cash Changes	
Other Movements	32
<b>Carrying Amount at the End of the Reporting Period</b>	<b>1,595</b>

# LONG SERVICE LEAVE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2025

#### NOTE 12. RECEIVABLES

##### Description and Material Accounting Policies Relating to Receivables

###### *Accounts Receivable*

Accounts Receivable (including employer and contractor contribution receivables and other receivables) are measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. Employer and contractor contributions are received on a quarterly basis.

###### *Expected Credit Losses – Accounts Receivable*

Accounts Receivable are assessed for impairment at balance date using an expected credit loss provision assessment matrix. Where there is objective evidence that a receivable may not be collected, an assessment of the likelihood of the recovery of a receivable has been performed to determine to what extent, if any, an allowance for impairment loss must be recognised.

The allowance for expected credit loss represents the amount of employer and contractor receivables, trade receivables and other receivables ACT Leave estimates will not be repaid. The allowance for impairment losses is based on objective evidence and a review of overdue balances. ACT Leave measures expected credit losses of a financial instrument in a way that reflects:

- a. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
- b. the time value of money and
- c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The amount of the expected credit loss is recognised in the Operating Statement (see Note 10 – *Waivers, Impairment Losses and Write-Offs*). Where ACT Leave has no reasonable expectation of recovering an amount owed by a debtor and ceases action to collect the debt as the cost to recover the debt is more than the debt is worth, the debt is written off by directly reducing the receivable against the loss allowance.

ACT Leave applied the simplified approach under AASB 9 *Financial Instruments*, to calculate the allowance for expected credit loss, which uses a lifetime expected loss for all receivables. A provision matrix is used to calculate the expected credit loss based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. Loss rates are calculated separately for each administered scheme.

ACT Leave has reviewed the registered employers' pattern of levy payment history and applied the estimated rates of non-payment for measuring expected credit losses. The calculations reflect historical, observed default rates based on credit losses experienced on past submitted quarterly returns during the last three years preceding 30 June 2025. The historical default rates are adjusted by reasonable and supportable forward-looking information for expected changes in macroeconomic indicators that affect the future recovery of those receivables.

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 12. RECEIVABLES - CONTINUED**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Receivables</b>		
Employer and Contractor Contributions Receivable <sup>14</sup>	2,330	1,252
Less: Expected Credit Loss Allowance	(455)	(363)
Accrued Industry Contributions <sup>14</sup>	10,381	9,170
Accrued Investment Income <sup>15</sup>	3,475	3,975
GST Receivable	16	23
Other Current Receivables	3	2
<b>Total Current Receivables</b>	<b>15,750</b>	<b>14,059</b>
<b>Reconciliation of the Expected Credit Loss Allowance</b>		
Allowance at the Beginning of the Reporting Period	363	365
Less: Reduction in Allowance from Amounts Written Off During the Reporting Period	(101)	(100)
Less: Reduction in Allowance from Amounts Recovered During the Reporting Period	-	(5)
Add: Expected Credit Loss Expense	193	102
<b>Allowance for Expected Credit Losses at the End of the Reporting Period</b>	<b>455</b>	<b>363</b>

<sup>14</sup> Increase in Employer and Contractor Contributions Receivable and Accrued Industry Contributions is in line with higher Contributions from Employers and Contractors in 2024-25.

<sup>15</sup> Decrease in Accrued Investment Income is consistent with lower Investment Distributions for the fourth quarter of 2024-25 compared to 2023-24.

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 12. RECEIVABLES - CONTINUED**

**Expected Credit Loss Allowance Provision Matrix**

Ageing of Receivables	Days Past Due					
	Total	Not Overdue	1-30 days	31-60 Days	61-90 Days	>91days
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>30 June 2025</b>	<b>15,766</b>	<b>14,034</b>	<b>655</b>	<b>131</b>	<b>118</b>	<b>828</b>
<b>Construction</b>	<b>7,844</b>	<b>6,947</b>	<b>335</b>	<b>90</b>	<b>40</b>	<b>432</b>
Expected credit loss rate – Inactive accounts		100%	100%	100%	100%	100%
Estimated total gross carrying amount at risk of default - Inactive accounts	345	-	-	7	5	333
Expected credit loss rate – Active accounts		0%	4%	20%	17%	9%
Estimated total gross carrying amount at risk of default – Active Accounts	7,931	6,947	349	113	48	474
Expected credit loss allowance	(432)	-	(14)	(30)	(13)	(375)
<b>Services</b>	<b>595</b>	<b>592</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>
Expected credit loss rate - Inactive accounts		100%	100%	100%	100%	100%
Estimated total gross carrying amount at risk of default - Inactive accounts	9	-	-	-	-	9
Expected credit loss rate – Active accounts		0%	1%	1%	0%	0%
Estimated total gross carrying amount at risk of default – Active Accounts	595	592	1	-	1	1
Expected credit loss allowance	(9)	-	-	-	-	(9)
<b>Community</b>	<b>6,936</b>	<b>6,126</b>	<b>314</b>	<b>40</b>	<b>73</b>	<b>383</b>
Expected credit loss rate – Inactive		100%	100%	100%	100%	100%
Estimated total gross carrying amount at risk of default - Inactive accounts	10	-	-	-	-	10
Expected credit loss rate – Active accounts		0%	0%	0%	0%	0%
Estimated total gross carrying amount at risk of default – Active Accounts	6,934	6,124	314	40	73	383
Expected credit loss allowance	(10)	-	-	-	-	(10)
<b>Security</b>	<b>391</b>	<b>369</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>12</b>
Expected credit loss rate – Inactive accounts		100%	100%	100%	100%	100%
Estimated total gross carrying amount at risk of default - Inactive accounts	1	-	-	-	-	1
Expected credit loss rate – Active accounts		0%	5%	17%	0%	16%
Estimated total gross carrying amount at risk of default – Active Accounts	394	369	5	1	4	15
Expected credit loss allowance	(4)	-	-	-	-	(4)

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 12. RECEIVABLES - CONTINUED**

Ageing of Receivables	Days Past Due					
	Total	Not Overdue	1-30 days	31-60 Days	61-90 Days	>91days
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>30 June 2024</b>	<b>14,072</b>	<b>13,181</b>	<b>495</b>	<b>74</b>	<b>67</b>	<b>254</b>
<b><i>Construction</i></b>						
Expected credit loss rate		0%	5%	30%	26%	33%
Estimated total gross carrying amount at risk of default	7,766	6,856	292	71	20	527
Expected credit loss allowance	(352)	-	(15)	(21)	(5)	(311)
<b><i>Cleaning</i></b>						
Expected credit loss rate		0%	0%	2%	0%	60%
Estimated total gross carrying amount at risk of default	647	622	17	0	0	8
Expected credit loss allowance	(5)	-	-	-	-	(5)
<b><i>Community</i></b>						
Expected credit loss rate		0%	0%	2%	0%	1%
Estimated total gross carrying amount at risk of default	5,642	5,340	199	24	49	29
Expected credit loss allowance	(1)	-	(1)	-	-	-
<b><i>Security</i></b>						
Expected credit loss rate		0%	0%	33%	0%	43%
Estimated total gross carrying amount at risk of default	379	363	2	1	2	11
Expected credit loss allowance	(5)	-	-	-	-	(5)

# LONG SERVICE LEAVE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### NOTE 13. PROPERTY, PLANT AND EQUIPMENT

#### Description and Material Accounting Policies Relating to Property, Plant and Equipment

Property, plant and equipment (PPE) includes the following classes of assets.

- Right-Of-Use Buildings are leased structures and land improvements that are separately identifiable from land they are constructed upon. Right-Of-Use Buildings include the office building ACT Leave leases for its business operation.
- Leasehold Improvements are capital expenditure items incurred in relation to leased assets. Leasehold improvements represent office accommodation fit-outs in the leased building.
- Plant and Equipment are tangible assets that are used to produce goods and assist in providing services to the community. Plant and Equipment include office and computer equipment and other mechanical and electronic equipment, furniture and fittings.
- Right-Of-Use Plant and Equipment has the same definition as plant and equipment, with the exception that they are held under a lease. Right-of-Use Plant and Equipment includes leased corporate motor vehicle and leased photocopiers.

#### *Acquisition and Recognition of Property, Plant and Equipment*

Property, plant and equipment is initially measured at cost, which comprises its purchase price, any directly attributable costs and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. For right of use assets, cost comprises the initial amount of the lease liability and initial direct costs. Right-of-use building, right-of-use plant and equipment, and right-of-use motor vehicle are accounted for under AASB 16 *Leases* for three leases (office accommodation, two photocopiers, and one motor vehicle) held under the Building and Construction Industry scheme.

Property, Plant and Equipment items with a minimum value of \$300 are capitalised.

#### *Measurement of Property, Plant and Equipment After Initial Recognition*

- Property, Plant and Equipment is measured using the cost or revaluation model of valuation. Leasehold improvements are measured at fair value with revaluations occurring every three years. The latest valuation was performed in 2023-24 by an independent valuer – Australian Valuations. Plant and Equipment are measured at cost. After the commencement date, all right of use assets are measured at cost less any accumulated depreciation and accumulated losses and adjusted for any
- re-measurement of the lease liability. Right-of-use assets are classified in Property, Plant and Equipment in their own separate asset class.

#### *Impairment of assets*

At each reporting date, ACT Leave assesses whether there is any indication of impairment for assets that are measured at cost subsequent to initial recognition and for non-specialised PPE measured at fair value subsequent to initial recognition. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment losses for building, plant and equipment, furniture and fittings, and intangible assets are recorded in the Operating Statement as these assets are measured at cost subsequent to initial recognition (see Note 10 – Waivers, Impairment Losses and Write Offs). Also, the carrying amount of the asset is reduced to its recoverable amount.

Impairment losses for leasehold improvements are recognised as a decrease in the Asset Revaluation Surplus. This is because this asset class contains non-specialised assets that are measured at fair value and have an Asset Revaluation Surplus attached to them. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus, the accounting difference is expensed in the Operating Statement.

Non-financial assets which have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

**LONG SERVICE LEAVE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 13. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

*Depreciation and Useful Life*

Depreciation is the systematic allocation of the costs of an asset less its residual value over its useful life.

Depreciation or amortisation commences when the asset is ready for its intended use.

Depreciation is applied to physical assets such as plant and equipment and buildings.

Right-of-use Buildings, Leasehold Improvements, and Plant and Equipment are depreciated over the estimated useful lives of each asset, or the unexpired period of the relevant lease, whichever is shorter.

Depreciation/amortisation for Property, plant and equipment is determined as follows:

<b>Class of Asset</b>	<b>Depreciation/Amortisation Method</b>	<b>Useful life/ Depreciation rate</b>
Right-of-Use Buildings	Straight Line	17 Years
Right-of-Use Plant and Equipment	Straight Line	5 Years
Right-of-Use Motor Vehicle	Straight Line	5 Years
Leasehold Improvements	Diminishing Value	7.9%
Furniture and Fittings	Diminishing Value	14%
Plant and Equipment	Diminishing Value	14%-50%

ACT Leave has made a significant estimate in determining the useful lives of its Property, Plant and Equipment, and it is based on the historical experience of similar assets and in relevant cases has been based on valuations provided by an independent valuer - Australian Valuations. The useful lives of all assets are assessed on an annual basis and adjustments are made when necessary.

**LONG SERVICE LEAVE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 13. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

Reconciliation of Property, Plant and Equipment – 2024-25

	Right-of-use Buildings \$'000	Plant and Equipment \$'000	Right-of-use Plant and Equipment \$'000	Right-of-use Motor Vehicle \$'000	Furniture and Fittings \$'000	Leasehold Improvements \$'000	Total \$'000
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>1,255</b>	<b>55</b>	<b>15</b>	<b>3</b>	<b>81</b>	<b>472</b>	<b>1,882</b>
Additions	-	23	-	39	4	27	94
Depreciation	(129)	(19)	(5)	(6)	(14)	(102)	(275)
Disposals	-	(2)	-	-	-	-	(2)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>1,126</b>	<b>57</b>	<b>10</b>	<b>36</b>	<b>71</b>	<b>397</b>	<b>1,697</b>
Carrying Amount at the End of the Reporting Period is represented by:							
Gross Book Value	1,905	173	27	39	164	499	2,807
Accumulated Depreciation	(779)	(116)	(17)	(3)	(93)	(102)	(1,110)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>1,126</b>	<b>57</b>	<b>10</b>	<b>36</b>	<b>71</b>	<b>397</b>	<b>1,697</b>

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 13. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

Reconciliation of Property, Plant and Equipment – 2023-24

	Right-of-use Buildings \$'000	Plant and Equipment \$'000	Right-of-use Plant and Equipment \$'000	Right-of-use Motor Vehicle \$'000	Furniture and Fittings \$'000	Leasehold Improvements \$'000	Total \$'000
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>1,385</b>	<b>49</b>	<b>20</b>	<b>9</b>	<b>52</b>	<b>385</b>	<b>1,900</b>
Additions	-	31	-	-	41	94	166
Depreciation	(130)	(20)	(5)	(6)	(10)	(36)	(207)
Disposals	-	(6)	-	-	(1)	-	(7)
Revaluation	-	-	-	-	-	30	30
<b>Carrying Amount at the End of the Reporting Period</b>	<b>1,255</b>	<b>55</b>	<b>15</b>	<b>3</b>	<b>82</b>	<b>472</b>	<b>1,882</b>
Carrying Amount at the End of the Reporting Period is represented by:							
Gross Book Value	1,905	164	27	34	160	472	2,762
Accumulated Depreciation	(650)	(109)	(12)	(31)	(79)	-	(880)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>1,255</b>	<b>55</b>	<b>15</b>	<b>3</b>	<b>81</b>	<b>472</b>	<b>1,882</b>

**Reconciliation of Depreciation and Amortisation Amounts from the Notes to the Amount on the Face of the Operating Statement**

Depreciation Expense (from Note 13 Property, Plant and Equipment above)  
 Amortisation Expense applied to Intangible Assets<sup>16</sup>

	2025 \$'000	2024 \$'000
	275	207
	41	101
<b>Total Depreciation and Amortisation Expense on the Operating Statement</b>	<b>317</b>	<b>308</b>

<sup>16</sup> Intangible Assets include software and website. Amortisation expense was lower in 2024-25 as LeaveTrack, the old administration system, was fully depreciated and decommissioned by December 2024.

**LONG SERVICE LEAVE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 13. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

**Fair Value Hierarchy**

The Fair Value Hierarchy below reflects the significance of the inputs used in determining fair value. The Fair Value Hierarchy has three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the agency can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and
- Level 3 – inputs that are unobservable for particular assets or liabilities.

Details of ACT Leave's property, plant and equipment at fair value and information about the Fair Value Hierarchy as at 30 June is as follows:

	<b>Classification According to Fair Value Hierarchy Level 3 \$'000</b>
<b>2025</b>	
<b>Property, Plant and Equipment at Fair Value</b>	
Leasehold Improvements	397
	<b>397</b>
<b>2024</b>	
<b>Property, Plant and Equipment at Fair Value</b>	
Leasehold Improvements	472
	<b>472</b>

**Transfers Between Categories**

There were no transfers between categories during the current or previous reporting period.

**Valuation Techniques, Inputs and Processes**

**Level 3 Valuation Techniques and Significant Unobservable Inputs**

Leasehold Improvements

Valuation Technique: Leasehold Improvements were considered specialised assets by the valuer – Australian Valuations, and were measured using the cost approach to fair value.

Significant Unobservable Inputs: Estimating the cost to a market participant to construct assets of comparable utility adjusted for obsolescence. In determining the value of leasehold improvements, regard was given to the age and condition of the assets, their estimated replacement cost and current use. This required the use of data internal to ACT Leave.

There was no change to the above valuation techniques during the year.

**LONG SERVICE LEAVE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 13. PROPERTY, PLANT AND EQUIPMENT - CONTINUED**

**Fair Value Measurements using Significant Unobservable Inputs (Level 3)**

	<b>Leasehold Improvements \$'000</b>
<b>2025</b>	
Fair Value at the Beginning of the Reporting Period	472
Additions	27
Depreciation	(102)
Revaluation increments recognised in Other Comprehensive Income	-
<b>Fair Value at the End of the Reporting Period</b>	<b>397</b>
<b>2024</b>	
Fair Value at the Beginning of the Reporting Period	385
Additions	94
Depreciation	(36)
Revaluation increments recognised in Other Comprehensive Income	30
<b>Fair Value at the End of the Reporting Period</b>	<b>472</b>

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**LIABILITY NOTES**

**NOTE 14. PAYABLES**

**Description and Material Accounting Policies Relating to Payables**

Payables include Long Service Leave Claims Owing to Registered Scheme Participants, Other Creditors and Accruals and Goods and Services Tax Payable.

Payables are initially recorded at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 28 days from the date of receipt of the correctly rendered invoice.

	<b>2025</b>	<b>2024</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
<b>Current Payables</b>		
<b>Long Service Leave Claims Owing to Registered Scheme Participants<sup>17</sup></b>		
- Building and Construction Industry	993	634
- Services/Contract Cleaning Industry	163	36
- Community Sector	918	419
- Security Industry	52	34
	<u><b>2,126</b></u>	<u><b>1,123</b></u>
<b>Other Creditors and Accruals<sup>18</sup></b>		
- Building and Construction Industry	197	366
- Services/Contract Cleaning Industry	58	61
- Community Sector	120	82
- Security Industry	28	16
	<u><b>403</b></u>	<u><b>526</b></u>
<b>Total Payables</b>	<u><u><b>2,529</b></u></u>	<u><u><b>1,649</b></u></u>

No Payables are overdue.

<sup>17</sup> Long Service Leave Claims Owing to Registered Scheme Participants were higher in 2025 due to higher number of claims received but not paid than in 2024. On 30 June 2025 there were 249 claims received and not paid compared to 198 claims on 30 June 2024.

<sup>18</sup> Other Creditors and Accruals were higher in 2023-24 than in 2024-25 as the 2024 balance included PAYG withholding tax payable for the last payment of long service leave claims. In 2025 PAYG tax for Community and Construction schemes was paid on 30 June.

# LONG SERVICE LEAVE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### NOTE 15. PROVISION FOR LONG SERVICE LEAVE BENEFITS

#### Description and Material Accounting Policies Relating to Provision for Long Service Leave Benefits

*i. Building and Construction Industry*

Employees and contractors in the construction industry who are registered with ACT Leave accrue 13 weeks (i.e. 3 months) long service leave after 10 years of service in the building and construction industry for service after 1 January 1997. Prior to 1 January 1997, employees accrued 13 weeks leave after 15 years of service but payable as a pro-rata benefit after 10 years. Workers receive a credit of one year's service for each 220 days worked. Payment in lieu of leave may be claimed after 10 years of service or after 7 years (or 5 years for workers registered prior to 1 July 2012 and one year in the case of a contributing contractor) if the worker ceases employment with the purpose of leaving the industry permanently. A benefit is also available upon accrual of 5 years (or 55 days for workers registered prior to 1 July 2012) of service in the scheme in certain cases of the employee leaving the industry due to illness, injury, reaching retirement age (55 years), or death.

*ii. Services/Contract Cleaning Industry*

Employees and contractors in the services (previously contract cleaning) industry who are registered with ACT Leave accrue 8.67 weeks (i.e. 2 months) long service leave after 10 years of service in the industry. Employees receive a credit of one year's service for each 365 days of recognised service. Leave may be claimed on a pro-rata basis after accumulating 7 years of service in the scheme or 5 years of service if the worker ceases employment with the purpose of leaving the industry permanently. A benefit is also available upon accrual of 5 years of service (or 55 days for workers registered prior to 1 July 2012) in the scheme in certain cases of the employee permanently leaving the industry due to illness, injury or at retirement age (55 years), or death.

*iii. Community Sector*

Employees and contractors in the community sector who are registered with ACT Leave accrue 8.67 weeks (i.e. 2 months) long service leave after 10 years of service in the community sector industry. Employees receive a credit of one year's service for each 365 days of recognised service. Leave may be claimed on a pro-rata basis after accumulating 5 years of service. A benefit is also available upon accrual of 5 years of service (or 55 days for workers registered prior to 1 July 2012) in the scheme in certain cases of the employee permanently leaving the industry due to illness, injury or at retirement age (55 years), or death.

*iv. Security Industry*

Employees and contractors in the security industry who are registered with ACT Leave accrue 8.67 weeks (i.e. 2 months) long service leave after 10 years of service in the security industry. Employees receive a credit of one year's service for each 365 days of recognised service. Leave may be claimed on a pro-rata basis after accumulating 7 years of service or 5 years of service if the worker ceases employment with the purpose of leaving the industry permanently from 11 May 2023. A benefit is also available upon accrual of 5 years of service in the scheme in certain cases of the employee permanently leaving the industry due to illness, injury or at retirement age (55 years), or death.

*v. Accrued Long Service Leave Benefit Liability*

The total provision for accrued long service leave benefits is estimated as the present value of all expected future payments which arise from the service of eligible workers up to the reporting date. The liability is calculated by ACT Leave's actuary PricewaterhouseCoopers Securities Ltd 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 long service leave is classified as a current liability in the Balance Sheet where ACT Leave does not have an unconditional right to defer the settlement of the liability for at least 12 months (i.e. the vested benefit). 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 assuming all workers who have sufficient service to receive long service leave benefits, will claim their entitlements within the next 12 months.

# LONG SERVICE LEAVE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2025

#### NOTE 15. PROVISION FOR LONG SERVICE LEAVE BENEFITS - CONTINUED

ACT Leave recognises total liability for accrued long service leave benefits based on an assessment performed by an independent actuary PricewaterhouseCoopers Securities Ltd. The actuary estimates the liability using a complex model and a large number of assumptions that are based on historical information and the current profile of the registered participants. Following the triennial actuarial review in 2023-24, the discount rate was set at 6.0% p.a. in line with ACT Leave's investment objective of 2.5% above AWOTE. There has been no change to the discount rate in 2024-25. The demographic assumptions for each scheme have been updated as per the experience review conducted as part of the triennial review at 30 June 2023, report dated 22 November 2023 with the exception of participation rates, that have been updated following peer review of the triennial assumptions.

Leaving the industry rates are determined separately for three membership groups based on service as follows:

- Service in the last year: those who have actively worked in the last year
- No service in the last year and vested: those who have not actively worked in the last year and are vested
- No service in the last year and not vested: those who have not actively worked in the last year and are not vested.

It has been assumed that all members still remaining in the schemes at age 75 will leave the industry.

The assumptions in summary are:

#### ***i. Accrued Long Service Leave Benefits – Building and Construction Industry***

##### **Exit rates**

The rates at which workers of different membership groups might leave the scheme are based on past experience and vary by years of service as follows:

<b>Exit Rate - Service in last year</b>	<b>2025</b>	<b>2024</b>
- Workers with less than 3 years of service	0%	0%
- Workers with 4 years of service	1%	1%
- Workers with 5-6 years of service	2%	2%
- Workers with 7-10 years of service	7%	7%
- Workers with 11 or more years of service	4%	4%
<b>Exit Rate - No service in last year and vested.</b>	<b>2025</b>	<b>2024</b>
- Workers with less than 1 year of service	1%	1%
- Workers with 1 year of service	2%	2%
- Workers with 2-5 years of service	3%	3%
- Workers with 6 or more years of service	5%	5%
<b>Exit Rate - No service in last year and not vested.</b>	<b>2025</b>	<b>2024</b>
- Workers with less than five years of service	27%	27%
- Workers with 5 or more years of service	21%	21%

# LONG SERVICE LEAVE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2025

#### NOTE 15. PROVISION FOR LONG SERVICE LEAVE BENEFITS – CONTINUED

##### In Service Benefit Rates

The rates at which workers with different periods of service might take their benefit vary as follows:

In Service Benefit Rate	2025	2024
- Workers with 9 or less years of service	0%	0%
- Workers with 10 years of service	22%	22%
- Workers with 11 years of service	15%	15%
- Workers with 12 years of service	13%	13%
- Workers with 13 years of service	10%	10%
- Workers with 14 or more years of service	7%	7%

##### Discount Rate

The discount rate used to estimate the present value of long service leave provisions is the expected return on assets, which was also used in ACT Leave's triennial actuarial valuations to determine contribution levies. ACT Leave and its' actuary regarded the expected return on assets to be a reliable measure, according to AASB 137 'Provisions, Contingent Assets and Contingent Liabilities', of the time value of money for the long service leave liabilities. The expected return on assets used as a discount rate, 6.0% per annum at 30 June 2025 (30 June 2024: 6.0% per annum), is based on the long-term return rate of ACT Leave's investments, with funds invested in accordance with the strategic asset allocation prescribed in ACT Leave's Investment Plan, approved by the Treasurer. ACT Leave may from time to time vary the discount rate based on an assessment from the actuarial review and investment conditions.

##### Increase in future wages

Increases in future wages due to inflation of 3.0% per annum at 30 June 2025 for the next year and 2.5% per annum thereafter (30 June 2024: 3.0% per annum for the next year and 2.5% per annum thereafter).

##### Increases in future wages (per annum) based on a service-based wage progression scale over and above inflation

Increases in future wages (per annum) based on a service-based wage progression scale over and above inflation	2025	2024
- Workers with less than 3 years of service	5%	5%
- Workers with 3-4 years of service	8%	8%
- Workers with 5-6 years of service	5%	5%
- Workers with 7-16 years of service	2%	2%
- Workers with more than 17 years of service	0%	0%

##### Other demographic assumptions

It was also assumed that 10% of registered workers who do not have any service credits in the previous year will commence receiving service credits while the other 90% will be paid a pro-rata benefit where eligible at 30 June 2025 (30 June 2024: same assumption applied).

##### Processing and settling accrued liabilities

ACT Leave has also made an allowance for the cost of processing and settling the accrued liabilities in addition to the value of the liability determined by the actuary. The method used for this allowance was to determine the estimated cost to process and pay a benefit as a percentage of average benefit paid and apply this percentage to the total long service leave liability to determine the liability for the cost of processing and settling the obligation.

	2025	2024
Estimated cost to process and pay a benefit	2.4%	2.3%

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 15. PROVISION FOR LONG SERVICE LEAVE BENEFITS - CONTINUED**

**ii. Accrued Long Service Leave Benefits – Services/Contract Cleaning Industry**

**Exit rates**

The rates at which workers of different membership groups might leave the scheme are based on past experience and vary by years of service as follows:

<b>Exit Rate - Service in last year</b>	<b>2025</b>	<b>2024</b>
- Workers with 4 years of service or less	0%	0%
- Workers with 5 years of service	4%	4%
- Workers with 6 years of service	5%	5%
- Workers with 7 or more years of service	6%	6%
<b>Exit Rate - No service in last year and vested.</b>	<b>2025</b>	<b>2024</b>
- Workers with less than 2 years of service	1%	1%
- Workers with 2-4 years of service	3%	3%
- Workers with 5 years of service	4%	4%
- Workers with 6 or more years of service	5%	5%
<b>Exit Rate - No service in last year and not vested.</b>	<b>2025</b>	<b>2024</b>
- Workers with no service last year and not vested	29%	29%

**In Service Benefit Rates**

The rates at which workers with different periods of service might take their benefit vary as follows:

<b>In Service Benefit Rate</b>	<b>2025</b>	<b>2024</b>
- Workers with 6 years of service or less	0%	0%
- Workers with 7 years of service	4%	4%
- Workers with 8 or more years of service	7%	7%

**Discount Rate**

The discount rate used to estimate the present value of long service leave provisions is the expected return on assets, which was also used in ACT Leave's triennial actuarial valuations to determine contribution levies. ACT Leave and its' actuary regarded the expected return on assets to be a reliable measure, according to AASB 137 'Provisions, Contingent Assets and Contingent Liabilities', of the time value of money for the long service leave liabilities. The expected return on assets used as a discount rate, 6.0% per annum at 30 June 2025 (30 June 2024: 6.0% per annum), is based on the long-term return rate of ACT Leave's investments, with funds invested in accordance with the strategic asset allocation prescribed in ACT Leave's Investment Plan, approved by the Treasurer. ACT Leave may from time to time vary the discount rate based on an assessment from the actuarial review and investment conditions.

**Increase in future wages**

Increases in future wages due to inflation of 3.0% per annum at 30 June 2025 for the next year and 2.5% per annum thereafter (30 June 2024: 3.0% per annum for the next year and 2.5% per annum thereafter).

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 15. PROVISION FOR LONG SERVICE LEAVE BENEFITS - CONTINUED**

<b>Increases in future wages (per annum) based on a service-based wage progression scale over and above inflation</b>	<b>2025</b>	<b>2024</b>
- Workers with less than 1 year of service	32%	32%
- Workers with 1 year of service	15%	15%
- Workers with 2-5 years of service	3%	3%
- Workers with 6-11 years of service	1%	1%
- Workers with 12 or more years of service	0%	0%

**Other demographic assumptions**

It was also assumed that 0% of registered workers who do not have any service credits in the previous year will commence receiving service credits while 100% will be paid a pro-rata benefit where eligible at 30 June 2025 (30 June 2024: same assumption applied).

**Processing and settling accrued liabilities**

ACT Leave has also made an allowance for the cost of processing and settling the accrued liabilities in addition to the value of the liability determined by the actuary. The method used for this allowance was to determine the estimated cost to process and pay a benefit as a percentage of average benefit paid and apply this percentage to the total long service leave liability to determine the liability for the cost of processing and settling the obligation.

	<b>2025</b>	<b>2024</b>
Estimated cost to process and pay a benefit	2.4%	2.3%

**iii. Accrued Long Service Leave Benefits – Community Sector**

**Exit rates**

The rates at which workers of different membership groups might leave the scheme are based on past experience and vary by years of service as follows:

<b>Exit Rate - Service in last year</b>	<b>2025</b>	<b>2024</b>
- Workers with less than 5 years of service	0%	0%
- Workers with 5-6 years of service	5%	5%
- Workers with 7 or more years of service	6%	6%
<b>Exit Rate - No service in last year and vested.</b>	<b>2025</b>	<b>2024</b>
- Workers with less than 1 year of service	2%	2%
- Workers with 1-2 years of service	3%	3%
- Workers with 3-4 years of service	4%	4%
- Workers with 5 or more years of service	6%	6%
<b>Exit Rate - No service in last year and not vested.</b>	<b>2025</b>	<b>2024</b>
- Workers with less than 2 years of service	29%	29%
- Workers with 2 or more years of service	25%	25%

# LONG SERVICE LEAVE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2025

#### In Service Benefit Rates

The rates at which workers with different periods of service might take their benefit vary as follows:

In Service Benefit Rate	2025	2024
- Workers with less than 5 years of service	0%	0%
- Workers with 5 years of service	4%	4%
- Workers with 6 years of service	6%	6%
- Workers with 7 years of service	7%	7%
- Workers with 8 or more years of service	5%	5%

#### Discount Rate

The discount rate used to estimate the present value of long service leave provisions is the expected return on assets, which was also used in ACT Leave's triennial actuarial valuations to determine contribution levies. ACT Leave and its' actuary regarded the expected return on assets to be a reliable measure, according to AASB 137 'Provisions, Contingent Assets and Contingent Liabilities', of the time value of money for the long service leave liabilities. The expected return on assets used as a discount rate, 6.0% per annum at 30 June 2025 (30 June 2024: 6.0% per annum), is based on the long-term return rate of ACT Leave's investments, with funds invested in accordance with the strategic asset allocation prescribed in ACT Leave's Investment Plan, approved by the Treasurer. ACT Leave may, from time to time, vary the discount rate based on an assessment from the actuarial review and investment conditions.

#### Increase in future wages

Increases in future wages due to inflation of 3.0% per annum at 30 June 2025 for the next year and 2.5% per annum thereafter (30 June 2024: 3.0% per annum for the next year and 2.5% per annum thereafter).

#### Increases in future wages (per annum) based on a service-based wage progression scale over and above inflation

Increases in future wages (per annum) based on a service-based wage progression scale over and above inflation	2025	2024
- Workers with less than 1 year of service	25%	25%
- Workers with 1 year of service	15%	15%
- Workers with 2 years of service	8%	8%
- Workers with 3 - 4 years of service	6%	6%
- Workers with 5 - 8 years of service	5%	5%
- Workers with 9 -11 years of service	3%	3%
- Workers with 12 or more years of service	0%	0%

#### Other demographic assumptions

It was also assumed that 10% of registered workers who do not have any service credits in the previous year will commence receiving service credits and the other 90% will be paid a pro-rata benefit where eligible at 30 June 2025 (30 June 2024: same assumption applied).

#### Processing and settling accrued liabilities

ACT Leave has also made an allowance for the cost of processing and settling the accrued liabilities in addition to the value of the liability determined by the actuary. The method used for this allowance was to determine the estimated cost to process and pay a benefit as a percentage of average benefit paid and apply this percentage to the total long service leave liability to determine the liability for the cost of processing and settling the obligation.

	2025	2024
Estimated cost to process and pay a benefit	2.4%	2.3%

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 15. PROVISION FOR LONG SERVICE LEAVE BENEFITS - CONTINUED**

**iv. Accrued Long Service Leave Benefits – Security Industry**

**Exit rates**

The rates at which workers of different membership groups might leave the scheme are based on past experience and vary by years of service as follows:

<b>Exit Rate - Service in last year</b>	<b>2025</b>	<b>2024</b>
- Workers with less than 5 years of service	0%	0%
- Workers with 5-6 years of service	3%	3%
- Workers with 7 or more years of service	4%	4%
<b>Exit Rate - No service in last year and vested.</b>	<b>2025</b>	<b>2024</b>
- Workers with less than 2 years of service	1%	1%
- Workers with 2-4 years of service	2%	2%
- Workers with 5-6 years of service	3%	3%
- Workers with 7 or more years of service	4%	4%
<b>Exit Rate - No service in last year and not vested.</b>	<b>2025</b>	<b>2024</b>
- Workers with less than 1 year of service	28%	28%
- Workers with 1 or more years of service	32%	32%

**In Service Benefit Rates**

The rates at which workers with different periods of service might take their benefit vary as follows:

<b>In Service Benefit Rate</b>	<b>2025</b>	<b>2024</b>
- Workers with less than 7 years of service	0%	0%
- Workers with 7 or more years of service	6%	6%

**Discount Rate**

The discount rate used to estimate the present value of long service leave provisions is the expected return on assets, which was also used in ACT Leave's triennial actuarial valuations to determine contribution levies. ACT Leave and its' actuary regarded the expected return on assets to be a reliable measure, according to AASB 137 'Provisions, Contingent Assets and Contingent Liabilities', of the time value of money for the long service leave liabilities. The expected return on assets used as a discount rate, 6.0% per annum at 30 June 2025 (30 June 2024: 6.0% per annum), is based on the long-term return rate of ACT Leave's investments, with funds invested in accordance with the strategic asset allocation prescribed in ACT Leave's Investment Plan, approved by the Treasurer. ACT Leave may, from time to time, vary the discount rate based on an assessment from the actuarial review and investment conditions.

**Increase in future wages**

Increases in future wages due to inflation of 3.0% per annum at 30 June 2025 for the next year and 2.5% per annum thereafter (30 June 2024: 3.0% per annum for the next year and 2.5% per annum thereafter).

**LONG SERVICE LEAVE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 15. PROVISION FOR LONG SERVICE LEAVE BENEFITS - CONTINUED**

<b>Increases in future wages (per annum) based on a service-based wage progression scale over and above inflation</b>	<b>2025</b>	<b>2024</b>
- Workers with less than 1 year of service	24%	24%
- Workers with 1 year of service	9%	9%
- Workers with 2-3 years of service	5%	5%
- Workers with 4-6 years of service	3%	3%
- Workers with 7-10 years of service	1%	1%
- Workers with 11 or more years of service	0%	0%

**Other demographic assumptions**

It was also assumed that 0% of registered workers who do not have any service credits in the previous year will commence receiving service credits and 100% will be paid a pro-rata benefit where eligible at 30 June 2025 (30 June 2024: same assumption applied).

**Processing and settling accrued liabilities**

ACT Leave has also made an allowance for the cost of processing and settling the accrued liabilities in addition to the value of the liability determined by the actuary. The method used for this allowance was to determine the estimated cost to process and pay a benefit as a percentage of average benefit paid and apply this percentage to the total long service leave liability to determine the liability for the cost of processing and settling the obligation.

	<b>2025</b>	<b>2024</b>
Estimated cost to process and pay a benefit	2.4%	2.3%

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 15. PROVISION FOR LONG SERVICE LEAVE BENEFITS - CONTINUED**

	2025 \$'000	2024 \$'000
<b>Current Provision for Long Service Leave Benefits</b>		
Long Service Leave Benefits for Registered Scheme Participants	236,443	213,483
<b>Total Current Provision for Long Service Leave Benefits</b>	<b>236,443</b>	<b>213,483</b>
<b>Non-Current Provision for Long Service Leave Benefits</b>		
Long Service Leave Benefits for Registered Scheme Participants	40,414	39,136
<b>Total Non-Current Provision for Long Service Leave Benefits</b>	<b>40,414</b>	<b>39,136</b>
<b>Total Provision for Long Service Leave Benefits</b>	<b>276,857</b>	<b>252,619</b>

**Reconciliation of the Provision for Long Service Leave Benefits – 2024-25**

The following table shows the movement of the provision for long service leave benefits from the beginning to the end of the reporting period for each of the schemes.

	Construction \$'000	Services \$'000	Communi ty \$'000	Security \$'000	Total \$'000
<b>Carrying Amount at the Beginning of the Reporting Period</b>	<b>147,949</b>	<b>11,804</b>	<b>85,620</b>	<b>7,246</b>	<b>252,619</b>
<i>Additional Provision Recognised</i>	22,706	1,502	15,863	1,201	41,272
<i>Unwinding of Discount Rate<sup>19</sup></i>	8,360	661	4,833	413	14,267
<i>Provision Reversed During the Year</i>	(876)	(46)	(686)	(18)	(1,626)
Plus: Total Additional Accrued Long Service Leave Expense <sup>20</sup>	30,190	2,117	20,010	1,596	53,913
Less: Long Service Leave Benefit Claims Paid	(17,237)	(1,572)	(10,155)	(711)	(29,675)
<b>Carrying Amount at the End of the Reporting Period</b>	<b>160,902</b>	<b>12,349</b>	<b>95,475</b>	<b>8,131</b>	<b>276,857</b>

This provision was estimated by PricewaterhouseCoopers Securities Ltd. From an assessment pattern of long service benefits, the estimated benefits that will be payable within the 12 months after 30 June 2025 are \$25.0 million, including \$14.7 million for construction, \$1.2 million for services, \$8.4 million for community, and \$0.7 million for security, with the balance expected to be paid in later years. Refer to Note 17 - *Operating Statement and Balance Sheet for the Long Service Leave Schemes* for the short-term and long-term estimate split of the current provision for long service leave benefits for each scheme.

<sup>19</sup> As a discount rate is applied to a future cash payment to arrive at a present value at the reporting date, it is a requirement to unwind the discount rate applied for each successive year until ACT Leave eventually arrives at the date of payment. The increase of value due to unwinding the discount rate is to recognise that ACT Leave's liabilities are one year closer than last year.

<sup>20</sup> The change in the provision due to unwinding the discount rate (\$14.267m in total) is classified as a Finance Cost in the Operating Statement, while other movements (\$39.645m in total) are classified as a long service leave benefit expense.

# **LONG SERVICE LEAVE AUTHORITY**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2025**

#### **NOTE 16. EMPLOYEE BENEFITS**

##### **Description and Material Accounting Policies Relating to Employee Benefits**

###### *Accrued Salaries and Superannuation*

Accrued salaries and superannuation are measured at the amount that remains unpaid at the end of the reporting period.

###### *Annual and Long Service Leave*

Annual and long service leave, including applicable on-costs, that are not expected to be wholly settled before twelve months after the end of the reporting period when the employees render the related service, are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of future annual leave and long service leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual leave liabilities have been estimated on the assumption that these amounts will be wholly settled within three years. In 2024-25, the rate used to estimate the present value of future:

- annual leave payments is 99.5% (98.2% in 2023-24) and
- payments for long service leave is 100.1% (91.2% in 2023-24).

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 7 years qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs.

On-costs only become payable if the employee takes annual and long service leave while in-service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the provision for long service leave and applicable on-costs.

Significant judgements have been applied in estimating the annual and long service leave liabilities, given that ACT Leave uses the Whole-of-Government present value, probability and on-cost factors. These factors are issued by ACT Treasury and apply to all ACT Government Agencies. ACT Treasury organises an actuarial review to be undertaken every three years by the Australian Government Actuary to estimate each of these factors. The latest assessment was undertaken in December 2024 and early 2025, with the next review expected to be undertaken by late 2027.

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because ACT Leave has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 16. EMPLOYEE BENEFITS – CONTINUED**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current Employee Benefits</b>		
Annual Leave <sup>21</sup>	494	399
Long Service Leave	538	600
Accrued Salaries and Superannuation <sup>21</sup>	147	114
Flexitime	33	-
<b>Total Current Employee Benefits</b>	<b>1,212</b>	<b>1,113</b>
<b>Non-Current Employee Benefits</b>		
Long Service Leave	106	64
<b>Total Non-Current Employee Benefits</b>	<b>106</b>	<b>64</b>
<b>Total Employee Benefits</b>	<b>1,318</b>	<b>1,177</b>
<b>Estimate of When Leave is Payable:</b>		
<b>Estimated Amount Payable within 12 Months</b>	<b>\$'000</b>	<b>\$'000</b>
Annual Leave	332	290
Long Service Leave	147	165
Accrued Salaries and Superannuation	147	114
Flexitime	33	-
<b>Total Employee Benefits Payable within 12 Months</b>	<b>659</b>	<b>569</b>
<b>Estimated Amount Payable after 12 Months</b>		
Annual Leave	162	109
Long Service Leave	497	499
<b>Total Employee Benefits Payable after 12 Months</b>	<b>659</b>	<b>608</b>
<b>Total Employee Benefits</b>	<b>1,318</b>	<b>1,177</b>

At 30 June 2025, ACT Leave employed 39.2 full time equivalent (FTE) staff. There were 34.5 FTE staff at 30 June 2024.

<sup>21</sup> Higher Accrued Salaries and Superannuation and Annual Leave Provision are consistent with increase in FTE staff at 30 June 2025 compared to 30 June 2024.

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 17. OPERATING STATEMENT AND BALANCE SHEET FOR LONG SERVICE LEAVE SCHEMES**

ACT Leave established separate funds for each of the administered schemes and funds are not cross-subsidised. Indirect costs are allocated to the schemes based on the percentage of active members in each scheme out of the total active members. In 2024-25 indirect costs, apart from capital expenditure related to the office accommodation fit out and furniture, were paid by the Construction Scheme first and reimbursement payments were made by the other schemes to Construction each month. The Community Scheme paid for office accommodation fit out and furniture, and invoiced the Construction, Services, and Security schemes each month for their share of depreciation costs associated with the office fit out and furniture.

The Services scheme commenced on 1 April 2025 and as at the 30 June 2025 incorporated the previously existing Contract Cleaning scheme only. The Services scheme will expand into hairdressing and beauty and food and accommodation industries from 1 July 2026.

**Building and Construction Industry Scheme – Operating Statement**

	<b>Actual</b>	<b>Original</b>	
	<b>2025</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>			
Contributions from Employers and Contractors	22,170	22,849	19,387
Gains from Remeasurement of Assets	17,427	5,432	12,452
Investment Revenue	5,602	5,952	7,025
Other Income	447	425	554
Sales of Services from Contracts with Customers	79	52	105
Grants and Contributions Income	6	-	12
<b>Total Income</b>	<b>45,731</b>	<b>34,710</b>	<b>39,535</b>
<b>Expenses</b>			
Employee Expenses	1,835	1,604	1,446
Supplies and Services	863	1,016	716
Depreciation and Amortisation	201	205	261
Long Service Leave Benefits Expense	21,830	27,709	15,416
Finance Costs	8,391	9,119	7,361
Other Expenses	228	89	227
<b>Total Expenses</b>	<b>33,348</b>	<b>39,741</b>	<b>25,427</b>
<b>Operating Result</b>	<b>12,383</b>	<b>(5,031)</b>	<b>14,108</b>
<b>Total Comprehensive Result</b>	<b>12,383</b>	<b>(5,031)</b>	<b>14,108</b>

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 17. OPERATING STATEMENT AND BALANCE SHEET FOR LONG SERVICE LEAVE SCHEMES - CONTINUED**

**Building and Construction Industry Scheme – Balance Sheet**

	Actual	Original Budget	Actual
	2025	2025	2024
	\$'000	\$'000	\$'000
<b>Current Assets</b>			
Cash	3,863	5,685	4,128
Investments	201,778	191,972	176,278
Receivables	8,327	7,201	7,834
Prepayments	15	-	23
<b>Total Current Assets</b>	<b>213,983</b>	<b>204,858</b>	<b>188,263</b>
<b>Non-Current Assets</b>			
Intangible Assets	41	-	82
Property, Plant and Equipment	1,230	1,221	1,329
<b>Total Non-Current Assets</b>	<b>1,271</b>	<b>1,221</b>	<b>1,411</b>
<b>Total Assets</b>	<b>215,253</b>	<b>206,079</b>	<b>189,674</b>
<b>Current Liabilities</b>			
Payables	1,208	863	963
Lease Liabilities	146	175	133
Provision for Long Service Leave Benefits			
- Expected to be Settled Within 12 months	14,718	15,397	13,983
- Expected to be Settled After 12 months	128,530	137,032	114,982
Employee Benefits	659	613	580
<b>Total Current Liabilities</b>	<b>145,261</b>	<b>154,080</b>	<b>130,641</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	1,353	1,320	1,462
Provision for Long Service Leave Benefits	17,654	29,397	18,984
Employee Benefits	42	48	27
<b>Total Non-Current Liabilities</b>	<b>19,049</b>	<b>30,765</b>	<b>20,473</b>
<b>Total Liabilities</b>	<b>164,310</b>	<b>184,845</b>	<b>151,114</b>
<b>Net Assets</b>	<b>50,943</b>	<b>21,234</b>	<b>38,560</b>
<b>Equity</b>			
Accumulated Funds	50,943	21,234	38,560
<b>Total Equity</b>	<b>50,943</b>	<b>21,234</b>	<b>38,560</b>

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 17. OPERATING STATEMENT AND BALANCE SHEET FOR LONG SERVICE LEAVE SCHEMES - CONTINUED**

**Services/Contract Cleaning Industry Scheme – Operating Statement**

	<b>Actual</b>	<b>Original</b>	
	<b>2025</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$'000</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>			
Contributions from Employers and Contractors	1,560	2,831	1,386
Gains from Remeasurement of Assets	2,084	594	1,517
Investment Revenue	668	743	864
Other Income	18	12	28
Grants and Contributions Income	-	-	5
<b>Total Income</b>	<b>4,330</b>	<b>4,180</b>	<b>3,800</b>
<b>Expenses</b>			
Employee Expenses	491	411	384
Supplies and Services	412	416	343
Long Service Leave Benefits Expense	1,457	2,453	1,338
Finance Costs	661	575	574
Other Expenses	6	4	4
<b>Total Expenses</b>	<b>3,027</b>	<b>3,859</b>	<b>2,643</b>
<b>Operating Result</b>	<b>1,303</b>	<b>320</b>	<b>1,157</b>
<b>Total Comprehensive Result</b>	<b>1,303</b>	<b>320</b>	<b>1,157</b>

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 17. OPERATING STATEMENT AND BALANCE SHEET FOR LONG SERVICE LEAVE SCHEMES - CONTINUED**

**Services/Contract Cleaning Industry Scheme – Balance Sheet**

	<b>Actual</b>	<b>Original</b>	
	<b>2025</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$'000</b>	<b>2025</b>	<b>2024</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Current Assets</b>			
Cash	296	50	88
Investments	23,606	22,644	21,801
Receivables	596	1,880	633
<b>Total Current Assets</b>	<b>24,498</b>	<b>24,574</b>	<b>22,522</b>
<b>Total Assets</b>	<b>24,498</b>	<b>24,574</b>	<b>22,522</b>
<b>Current Liabilities</b>			
Payables	276	128	157
Provision for Long Service Leave Benefits			
- Expected to be Settled Within 12 months	1,251	1,353	1,203
- Expected to be Settled After 12 months	10,550	12,572	10,187
Employee Benefits	117	106	114
<b>Total Current Liabilities</b>	<b>12,194</b>	<b>14,159</b>	<b>11,661</b>
<b>Non-Current Liabilities</b>			
Provision for Long Service Leave Benefits	549	743	414
Employee Benefits	11	16	7
<b>Total Non-Current Liabilities</b>	<b>560</b>	<b>759</b>	<b>421</b>
<b>Total Liabilities</b>	<b>12,754</b>	<b>14,918</b>	<b>12,082</b>
<b>Net Assets</b>	<b>11,744</b>	<b>9,656</b>	<b>10,441</b>
<b>Equity</b>			
Accumulated Funds	11,744	9,656	10,441
<b>Total Equity</b>	<b>11,744</b>	<b>9,656</b>	<b>10,441</b>

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 17. OPERATING STATEMENT AND BALANCE SHEET FOR LONG SERVICE LEAVE SCHEMES - CONTINUED**

**Community Sector Industry Scheme – Operating Statement**

	<b>Actual</b>	<b>Original</b>	
	<b>2025</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$'000</b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>			
Contributions from Employers and Contractors	21,723	19,513	17,314
Gains from Remeasurement of Assets	9,643	3,770	6,329
Investment Revenue	3,097	2,650	3,583
Other Income	206	100	185
<b>Total Income</b>	<b>34,669</b>	<b>26,033</b>	<b>27,411</b>
<b>Expenses</b>			
Depreciation and Amortisation	116	47	47
Employee Expenses	2,407	1,892	1,806
Supplies and Services	1,291	1,206	1,033
Long Service Leave Benefits Expense	15,166	21,333	25,658
Finance Costs	4,833	2,935	3,367
Other Expenses	19	11	8
<b>Total Expenses</b>	<b>23,832</b>	<b>27,424</b>	<b>31,919</b>
<b>Operating Result</b>	<b>10,837</b>	<b>(1,390)</b>	<b>(4,508)</b>
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified subsequently to profit and loss</i>			
Increase in the Asset Revaluation Surplus	-	-	30
<b>Total Other Comprehensive Result</b>	<b>-</b>	<b>-</b>	<b>30</b>
<b>Total Comprehensive Result</b>	<b>10,837</b>	<b>(1,390)</b>	<b>(4,478)</b>

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 17. OPERATING STATEMENT AND BALANCE SHEET FOR LONG SERVICE LEAVE SCHEMES - CONTINUED**

**Community Sector Industry Scheme – Balance Sheet**

	<b>Actual 2025 \$'000</b>	<b>Original Budget 2025 \$'000</b>	<b>Actual 2024 \$'000</b>
<b>Current Assets</b>			
Cash	1,469	3,869	2,268
Investment	115,866	107,840	94,977
Receivables	6,938	5,541	5,619
<b>Total Current Assets</b>	<b>124,273</b>	<b>117,250</b>	<b>102,864</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	468	475	553
<b>Total Non-Current Assets</b>	<b>468</b>	<b>475</b>	<b>533</b>
<b>Total Assets</b>	<b>124,741</b>	<b>117,725</b>	<b>103,417</b>
<b>Current Liabilities</b>			
Payables	1,441	740	847
Provision for Long Service Leave Benefits			
- Expected to be Settled Within 12 months	8,361	9,142	7,638
- Expected to be Settled After 12 months	65,145	78,913	58,509
Employee Benefits	404	271	388
<b>Total Current Liabilities</b>	<b>75,351</b>	<b>89,066</b>	<b>67,381</b>
<b>Non-Current Liabilities</b>			
Provision for Long Service Leave Benefits	21,969	21,201	19,472
Employee Benefits	47	69	27
<b>Total Non-Current Liabilities</b>	<b>22,016</b>	<b>21,270</b>	<b>19,499</b>
<b>Total Liabilities</b>	<b>97,367</b>	<b>110,336</b>	<b>86,880</b>
<b>Net Assets</b>	<b>27,374</b>	<b>7,389</b>	<b>16,537</b>
<b>Equity</b>			
Accumulated Funds	27,194	7,389	16,357
Asset Revaluation Surplus	180	-	180
<b>Total Equity</b>	<b>27,374</b>	<b>7,389</b>	<b>16,537</b>

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 17. OPERATING STATEMENT AND BALANCE SHEET FOR LONG SERVICE LEAVE SCHEMES - CONTINUED**

**Security Industry Scheme – Operating Statement**

	<b>Actual</b>	<b>Original</b>	<b>Actual</b>
	<b>2025</b>	<b>Budget</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>			
Contributions from Employers and Contractors	1,507	1,474	1,035
Gains from Remeasurement of Assets	851	284	592
Investment Revenue	269	272	333
Other Income	11	6	13
<b>Total Income</b>	<b>2,638</b>	<b>2,036</b>	<b>1,973</b>
<b>Expenses</b>			
Employee Expenses	245	206	192
Supplies and Services	159	147	139
Long Service Leave Benefits Expense	1,181	1,583	1,306
Finance Costs	413	341	328
Other Expenses	6	3	4
<b>Total Expenses</b>	<b>2,004</b>	<b>2,280</b>	<b>1,969</b>
<b>Operating Result</b>	<b>634</b>	<b>(244)</b>	<b>4</b>
<b>Total Comprehensive Result</b>	<b>634</b>	<b>(244)</b>	<b>4</b>

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 17. OPERATING STATEMENT AND BALANCE SHEET FOR LONG SERVICE LEAVE SCHEMES - CONTINUED**

**Security Industry Scheme – Balance Sheet**

	Actual 2025 \$'000	Original Budget 2025 \$'000	Actual 2024 \$'000
<b>Current Assets</b>			
Cash	314	335	101
Investment	9,822	9,276	8,508
Receivables	391	437	371
<b>Total Current Assets</b>	<b>10,527</b>	<b>10,048</b>	<b>8,980</b>
<b>Total Assets</b>	<b>10,527</b>	<b>10,048</b>	<b>8,980</b>
<b>Current Liabilities</b>			
Payables	107	71	81
Provision for Long Service Leave Benefits			
- Expected to be Settled Within 12 months	662	515	615
- Expected to be Settled After 12 months	7,226	7,873	6,366
Employee Benefits	33	21	31
<b>Total Current Liabilities</b>	<b>8,028</b>	<b>8,481</b>	<b>7,093</b>
<b>Non-Current Liabilities</b>			
Provision for Long Service Leave Benefits	242	982	266
Employee Benefits	5	11	3
<b>Total Non-Current Liabilities</b>	<b>247</b>	<b>993</b>	<b>269</b>
<b>Total Liabilities</b>	<b>8,275</b>	<b>9,474</b>	<b>7,362</b>
<b>Net Assets</b>	<b>2,252</b>	<b>574</b>	<b>1,618</b>
<b>Equity</b>			
Accumulated Funds	2,252	574	1,618
<b>Total Equity</b>	<b>2,252</b>	<b>574</b>	<b>1,618</b>

# LONG SERVICE LEAVE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2025

#### NOTE 18. FINANCIAL INSTRUMENTS

##### Material Accounting Policies Relating to Financial Instruments

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial assets and financial liabilities, are disclosed in the note to which these amounts relate. In addition, the following accounting policies also relate to the reporting of financial assets and liabilities.

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- a. the business model for managing the financial assets and
- b. the contractual cash flow characteristics of the financial assets.

Financial liabilities are measured at amortised cost.

The following are the classifications of ACT Leave's financial assets under AASB 9 *Financial Instruments*:

Items	Business Model Held to collect principal and interest/sell	Solely for payment of Principal and Interest SPPI Test (basic lending characteristics)	Classification
Cash	Held to collect	Yes	Amortised cost
Receivables	Held to collect	Yes	Amortised cost
Accrued Revenue	Held to collect	Yes	Amortised cost
Investments	Held to collect /& sell	No	FVTPL

##### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

ACT Leave's exposure to interest rate risk is limited mainly to its cash which is subject to variable interest rates. ACT Leave's cash is minimal in comparison to other financial asset balances and any movements in interest rates would not have a material impact on the Operating Statement. The cash component in ACT Leave's funds under management is managed by the external fund manager, Vanguard Australia, by maintaining the fixed-term deposits and debt securities in high-quality, short-term money markets and by continuously monitoring the market trends to produce a portfolio return broadly in line with that of the benchmark. As a result, interest rate risk is not actively managed by ACT Leave.

##### Sensitivity Analysis

A sensitivity analysis has not been undertaken for the interest rate risk of ACT Leave as it has been determined that the possible impact on income and expenses or total equity from fluctuations in interest rates is not financially material.

##### Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. ACT Leave's credit risk is limited to the amount of the financial assets it holds.

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 18. FINANCIAL INSTRUMENTS - CONTINUED**

Credit risk is managed by ACT Leave for investments by only investing surplus funds with the appointed external fund manager (Vanguard Australia), which has appropriate investment criteria to invest ACT Leave's surplus funds in accordance with ACT Leave's Investment Plan which has been approved by the Treasurer.

ACT Leave's exposure to credit risk and the management of this risk has not changed since the previous reporting period.

**Liquidity Risk**

Liquidity risk is the risk that ACT Leave will not be able to meet its financial obligations as and when these amounts fall due.

ACT Leave manages the liquidity risk related to financial liabilities by maintaining sufficient cash reserves and liquid investments to meet the obligations as and when these fall due. ACT Leave has sufficient investments that can be readily converted into cash in the short-term. ACT Leave's exposure to liquidity risk and the management of this risk has not changed since the previous reporting period.

**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 ACT Leave is exposed to is significant and results from its investments. ACT Leave has investments which are managed by an independent investment manager and include exposure to listed and unlisted equities and property, fixed interest and other securities and instruments. ACT Leave's investments fluctuate in value. The price fluctuations are caused by movements in the underlying investments of the portfolio.

To limit price risk, the investments are managed by an independent professional investment manager (Vanguard Australia). ACT Leave targets a portfolio allocation of 65% to growth-oriented assets (shares and property securities) and 35% to income-oriented asset classes (cash and fixed interest securities). Actual allocations are permitted to deviate from the target allocation provided that these are within the set allocation ranges.

ACT Leave's investment funds seek to match the weighted average return of the target indexes of the relevant asset classes before taking into account fund fees and expenses.

The following table indicates ACT Leave's exposure to price risk, by estimating the operating impact on the profit/(loss) and equity of ACT Leave of a +/- 20% movement in unit price of the fund in which the schemes have invested and therefore a +/- 20% change in the value of the investments. ACT Leave considers a +/- 20% movement in markets to be reasonably foreseeable. There has been no change in the price risk from the prior financial year.

*Sensitivity Analysis*

	Carrying Amount	+20% Price Movement Profit/Equity	-20% Price Movement Profit/Equity
	2025 \$'000	2025 \$'000	2025 \$'000
<b>Financial Assets</b>			
Investments	351,072	70,214	(70,214)
	2024 \$'000	2024 \$'000	2024 \$'000
<b>Financial Assets</b>			
Investments	301,564	60,313	(60,313)

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 18. FINANCIAL INSTRUMENTS - CONTINUED**

**Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes to foreign currency exchange rates. ACT Leave's transactions are carried out in Australian dollars and ACT Leave does not directly hold any foreign currency. ACT Leave's underlying investment holdings of international fixed interest and property securities are fully hedged by way of investing in wholesale managed funds, reducing exposure to foreign currency risk. ACT Leave's underlying international equity is not hedged with the fund measured in Australian dollars. Therefore, ACT Leave is exposed to currency risk, however, the currency risk is considered to be low as the portfolio is invested in a diversified pool of international equities with the currency allocation of up to 20 countries. ACT Leave's exposure to currency risk and the management of this risk has not changed since the previous reporting period.

**Fair Value of Financial Assets and Liabilities**

The carrying amounts and fair values of financial assets and liabilities at the end of the reporting period are:

	Note No.	Carrying Amount	Fair Value	Carrying Amount	Fair Value
		2025 \$'000	2025 \$'000	2024 \$'000	2024 \$'000
<b>Financial Assets</b>					
Cash	11	5,942	5,942	6,586	6,586
Investments	11	351,072	351,072	301,564	301,564
Accrued Investment Revenue and Interest	12	3,478	3,478	3,977	3,977
<b>Total Financial Assets</b>		<b>360,492</b>	<b>360,492</b>	<b>312,127</b>	<b>312,127</b>
<b>Financial Liabilities</b>					
Payables <sup>22</sup>	14	372	372	393	393
<b>Total Financial Liabilities</b>		<b>372</b>	<b>372</b>	<b>393</b>	<b>393</b>

<sup>22</sup> Payables do not include Long Service Leave Claims Owing to Registered Scheme Participants and PAYG withholding tax owing to the Australian Taxation Office as these have their source in legislation and therefore are not contractual obligations.

**LONG SERVICE LEAVE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 18 - FINANCIAL INSTRUMENTS – CONTINUED**

The following table sets out ACT Leave's maturity analysis for financial liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2025 and 30 June 2024 respectively. Financial liabilities, which are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are reported on an undiscounted cash flow basis.

Note No.	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Maturities		Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Maturities		Total	Total	Non Interest Bearing	Total
			in 1 Year or Less	between 1 and 5 years			in 1 Year or Less	between 1 and 5 years				
<b>Financial Assets</b>												
Cash	11	4.45%	5,942	-	-	-	-	-	5,942	-	-	6,586
Investments Accrued Investment Revenue and Interest	11	-	-	-	-	-	-	-	351,072	351,072	-	301,564
<b>Total</b>	12	-	-	-	-	-	-	-	3,478	3,478	3,478	3,977
<b>Financial Assets</b>			<b>5,942</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>360,492</b>	<b>360,492</b>	<b>354,550</b>	<b>312,127</b>
<b>Financial Liabilities</b>												
Payables	14	-	-	-	-	-	-	-	372	372	372	393
<b>Total</b>									<b>372</b>	<b>372</b>	<b>372</b>	<b>393</b>
<b>Financial Liabilities</b>									<b>-</b>	<b>-</b>	<b>-</b>	<b>393</b>

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 18. FINANCIAL INSTRUMENTS - CONTINUED**

	2025 \$'000	2024 \$'000
<b>Carrying Amount of Each Category of Financial Assets and Financial Liability</b>		
<b>Financial Assets</b>		
Financial Assets Measured at Fair Value through the Profit and Loss Designated upon Initial Recognition	351,072	301,564
Financial Assets Measured at Amortised Cost	3,478	3,977
<b>Financial Liabilities</b>		
Financial Liabilities Measured at Amortised Cost	372	393
<b>Gains/(Losses) on Each Category of Financial Assets and Financial Liabilities</b>		
<b>Financial Assets</b>		
Financial Assets at Fair Value through the Profit and Loss Designated upon Initial Recognition	30,005	20,890

**Fair Value Hierarchy**

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

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either derived from prices directly (i.e. as prices) or indirectly (i.e. derived from prices) and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 18. FINANCIAL INSTRUMENTS - CONTINUED**

**Fair Value Hierarchy - Continued**

		<u>Classification According to the Fair Value Hierarchy</u>
<b>2025</b>		<b>Level 2</b>
		<b>\$'000</b>
<hr/>		
	Financial Assets at Fair Value through Profit and Loss	
	Investments	351,072
		<b>351,072</b>
<hr/>		
		<u>Classification According to the Fair Value Hierarchy</u>
<b>2024</b>		<b>Level 2</b>
		<b>\$'000</b>
<hr/>		
	Financial Assets at Fair Value through Profit and Loss	
	Investments	301,564
		<b>301,564</b>
<hr/>		

Note: The investments are wholesale managed funds with underlying assets including property securities and shares which seek to track the return of benchmarking indexes. While a large part of these underlying assets can be quoted in active markets, some assets may be subject to restrictions on redemptions. The fair value of these investments is based on the funds' unit prices determined by the fund manager.

**NOTE 19. COMMITMENTS**

Commitments are a firm intention, but not a present obligation, at the end of the reporting period to incur future expenditure. As such, commitments do not constitute a liability. Commitments usually arise from contracts but can arise from other arrangements like placing an order. Commitments are measured at their nominal value and are inclusive of GST.

**Other Commitments**

Other commitments contracted at reporting date but not recognised as liabilities, are payable as follows:

	<b>2025</b>	<b>2024</b>
	<u><b>\$'000</b></u>	<u><b>\$'000</b></u>
Within One Year	630	1,205
Later than One Year but no Later than Five Years	57	1,224
<b>Total Other Commitments<sup>23</sup></b>	<b><u>687</u></b>	<b><u>2,429</u></b>

<sup>23</sup> Commitments decreased compared to 2023-24 mainly due to the completion of the new administration system implementation and no new long-term contracts signed in 2024-25.

# **LONG SERVICE LEAVE AUTHORITY**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2025**

#### **NOTE 20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

##### **Description and Material Accounting Policies Relating to Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the Balance Sheet due to the uncertainty regarding any possible amount or timing of any underlying claim or obligation. Instead, they are disclosed and, if quantifiable, the best estimate is disclosed.

At 30 June 2025 ACT Leave had \$15,000 of contingent liabilities relating to matters being managed by the ACT Government Solicitor (\$15,000 at 30 June 2024), and no contingent assets (Nil at 30 June 2024).

#### **NOTE 21. RELATED PARTY DISCLOSURES**

##### **Description and Material Accounting Policies Relating to Related Party Disclosures**

A related party is a person that controls or has significant influence over the reporting entity or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity and includes their close family members and entities in which the KMP or/and their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

KMP of ACT Leave are the Responsible Minister, Governing Board members, and certain members of the senior management team.

This note does not include typical citizen transactions between the KMP and ACT Leave that occur on terms and conditions no different to those applying to the general public.

##### **(A) Controlling Entity**

ACT Leave is an ACT Government controlled entity.

##### **(B) Key Management Personnel**

###### *B.1 Compensation of Key Management Personnel*

Compensation of all Cabinet Ministers, including the Responsible Minister of ACT Leave, is disclosed in the note on related party disclosures included in the ACT Executive's financial statements for the year ended 30 June 2025.

The Governing Board (the Board) provides the overall governance of ACT Leave under the *Long Service Leave (Portable Schemes) Act 2009*. The remuneration for the Chair and Deputy Chair of the Board is set annually by the ACT Remuneration Tribunal. All other Board members are paid on the basis of a 'per diem' rate (i.e. per meeting attended) also determined by the ACT Remuneration Tribunal, except for the Chief Executive Officer/Registrar, who is a non-voting member of the Board and is remunerated in accordance with a senior executive contract with the ACT Government. A superannuation contribution of 11.5% of remuneration is paid to the Chair's and Deputy Chair's superannuation funds, as well as to the independent board members whose superannuation is not paid by the agency they represent.

The Deputy Registrar, the Chief Operations Officer, the Chief Information Officer and the Chief Finance Officer are also KMP of ACT Leave with their remuneration paid by ACT Leave in accordance with the *ACT Public Service Administrative and Related Classifications Enterprise Agreement 2023-2026*. There are no other compensation or transactions paid directly to these KMP by ACT Leave.

**LONG SERVICE LEAVE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 21. RELATED PARTY DISCLOSURES - CONTINUED**

Compensation by ACT Leave to KMP is set out below:

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits <sup>24</sup>	1,389	844
Other long-term benefits <sup>25</sup>	(80)	46
Board member fees	<u>78</u>	<u>83</u>
<b>Total Compensation to KMP paid by ACT Leave</b>	<b><u>1,387</u></b>	<b><u>973</u></b>

**Governing Board**

Ms Anne O'Donnell was appointed as an independent member in the position of Chair of the Board from 26 January 2022 for a term of three years to 25 January 2025. Ms O'Donnell's appointment was renewed on 24 January 2025 for a further one year to 25 January 2026.

Ms Liesl Centenera was appointed as an independent member in the position of Deputy Chair of the Board from 25 January 2019 for a term of three years. Ms Centenera's appointment was renewed on 26 January 2022 for a further three years to 25 January 2025. Ms Centenera's term as Deputy Chair ended effective 25 January 2025.

Ms Roslyn Jackson was appointed as an independent member in the position of Deputy Chair of the Board from 14 May 2025 for a term of four years to 13 May 2029.

Ms Erryn Cresshull was appointed as a member representing employee organisations on 3 April 2015, for a term of four years to 2 April 2019. Ms Cresshull was re-appointed on 9 April 2019 for a term of two years to 8 April 2021, and again for a term of four years from 6 May 2021 to 5 May 2025. Ms Cresshull's term on the board ended effective 5 May 2025.

Ms Pema Choden was appointed as a member representing employee organisations from 14 May 2025, for a term of four years to 13 May 2029.

Mr Joshua Bolitho was appointed as a member representing employee organisations from 6 May 2023 for a term of four years to 5 May 2027.

Ms Anna Whitty was appointed as a member representing employer organisations effective from 9 April 2019 for a term of four years to 8 April 2023. Ms Whitty's appointment was renewed on 6 May 2023 for a further term of four years to 5 May 2027. Ms Whitty resigned from the board effective 19 November 2024.

Mr Pierre Huetter was appointed on 13 May 2025 as a member representing employer organisations for a term of four years to 12 May 2029.

Mr Michael Capezio was appointed on 19 March 2024 as a member representing employer organisations for a term of four years to 18 March 2028.

The Chief Executive Officer/Registrar is a non-voting member of the Governing Board. Ms Tracy Savage was appointed as Chief Executive Officer/Registrar in August 2015 for a term of three years, with her contract extended for a further five year term to August 2023, and subsequently for a further five years to August 2028. Ms Savage resigned from ACT Leave effective 30 April 2025. Ms Cassandra Webeck is performing the role of Acting Chief Executive Officer/Registrar until this position is appointed.

<sup>24</sup> Increase in the short-term employee benefits relates to long service leave and parental leave payments to senior management team members in 2024-25 as well as creation of the Chief Information Officer position.

<sup>25</sup> Other long-term benefits include the decrease in long service leave provision due to long service leave taken in 2024-25.

**LONG SERVICE LEAVE AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2025**

**NOTE 21. RELATED PARTY DISCLOSURES - CONTINUED**

*B.2 Transactions with Key Management Personnel*

There were no transactions with KMP that were material to the financial statements of ACT Leave.

*B.3 Transactions with Parties Related to Key Management Personnel*

There were no transactions with parties related to KMP, including transactions with KMP's close family members or other related entities that were material to the financial statements of ACT Leave.

**(C) Transactions with other ACT Government Controlled Entities**

ACT Leave has entered into transactions with other ACT Government entities in 2024-25 consistent with day-to-day business operations provided under varying terms and conditions. The notes to the Financial Statements provide the details of transactions with other ACT Government Entities. Below is a summary of the Material transactions with Other ACT Government Entities.

**Revenue**

*Grants and Contributions* (Operating Statement) - Resources Received Free of Charge. In 2024-25 ACT Leave received free of charge \$0.006m in legal services from the ACT Government Solicitor's Office.

**Expenses**

*Employee Expenses* (Note 8) ACT Leave paid Chief Minister, Treasury and Economic Development Directorate \$4.818m for reimbursement of salaries and superannuation for its staff and \$0.048m to the ACT Insurance Authority for Workers Compensation Insurance Premium in 2024-25.

*Supplies and Services* (Note 9) – ACT Leave paid \$0.107m to the ACT Audit Office for audit services, \$0.004m in insurance premiums to the ACT Insurance Authority, \$0.012m to the ACT Government Solicitor's Office for legal services, and \$0.057m to Shared Services for various services in 2024-25.

# LONG SERVICE LEAVE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2025

#### NOTE 22. BUDGETARY REPORTING

##### Significant Accounting Judgements and Estimates – Budgetary Reporting

Significant judgements have been applied in determining what variances are considered ‘major variances’.

Variances are considered major if both of the following criteria are met:

- The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements and
- The variances (original budget to actual) are greater than plus (+) or minus (-) 10% and \$500,000 of the budget for the financial statement line item.

Operating Statement Line Items	Actual 2024-25 \$'000	Original Budget <sup>26</sup> 2024-25 \$'000	Variance \$'000	Variance %	Variance Explanation
Gains from Remeasurement of Assets	30,005	10,080	19,925	198%	Higher Gains from Remeasurement of Assets were caused by the higher than expected return on investments. ACT Leave recorded an average investment return of 13.7% per annum in 2024-25 compared with 6.0% per annum assumed in the Budget.
Long Service Leave Benefits Expenses	39,633	53,077	(13,444)	-25%	Long Service Leave Benefits expenses were lower than budgeted due to the actuarial valuation of the present value of the long-term long service leave liability for the four administered schemes.
Finance Costs	14,298	12,970	1,328	10%	Finance Costs were higher than budgeted due to the unwinding of the discount rate applied to future payments of long service leave benefits based on the actuarial valuation.
<b>Balance Sheet Line Items</b>					
Provision for Long Service Leave Benefits	276,857	315,120	(38,263)	-12%	Provision for Long Service Leave Benefits was lower than budgeted due to the actuarial valuation of the present value of the long-term long service leave liability for the four administered schemes.
<b>Statement of Changes in Equity</b>					These line items are covered in other financial statements.
<b>Cashflow Statement Line Items</b>					
Payments of Long Service Leave Benefits	29,106	23,439	5,667	24%	ACT Leave experienced a higher than expected value of Long Service Leave Benefits claims in 2024-25.
Proceeds from Sale of Investments	1,000	500	500	100%	Proceeds from Sales of Investment were higher than budgeted as cash was required for the Services scheme to pay higher than expected long service leave benefits.
Purchase of Investments	10,380	9,150	1,230	13%	During the year ACT Leave invested more funds than was budgeted, particularly in the Community scheme, and this was mainly due to higher than expected cash receipts from employer and contractor contributions.

<sup>26</sup> Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2024-25 Statement of Intent).

## C3. Capital works

In 2024-25, ACT Leave completed a minor refurbishment of the existing office premises at Trevor Pearcey House (28-34 Thynne Street) in Bruce ACT, to accommodate existing and future staffing growth. The office fit out project value was approximately \$0.03 million, including the project design and building works.

There were no other capital projects or works undertaken during the year.

## C4. Asset management

ACT Leave managed a total of \$374.52 million assets as at 30 June 2025. Within the total assets, \$351.07 million is invested in wholesale managed funds with Vanguard Australia, achieving an average of 13.7% return per annum in 2024-25. Other assets were cash (\$5.94 million), receivables (\$15.75 million), intangible assets (\$0.04 million), property, plant and equipment (\$1.70 million) and prepayments (\$0.02 million).

### Cash and cash equivalents

ACT Leave has four separate accounts for the four administered schemes with Westpac as part of the Whole of Government banking contract arrangement. Funds for each scheme are held separately in these accounts for the receipting and payment of day-to-day operational income and expenses, including long service leave claims payments.

### Funds under management

ACT Leave invests scheme assets in pooled funds managed by Vanguard Australia. Underlying asset allocation is structured in accordance with ACT Leave's Investment Plan, approved by the Treasurer, and available on the Resources page on the ACT Leave [website](#).

### Intangible assets - information technology and software

ACT Leave developed its own database system, LeaveTrack, in 2010 soon after ACT Leave was established under the *Long Service Leave (Portable Schemes) Act 2009*. LeaveTrack maintained long service leave benefits records of registered employees and issued return statement and levy payment notices to registered employers and contractors of the administered schemes. ACT Leave transitioned to a subscription-based CRM platform Formation CRM (FCRM) in December 2024, which replaced LeaveTrack. The LeaveTrack software was subsequently decommissioned for use in the ACT on 30 June 2025.

ACT Leave maintains the licence for LeaveTrack and has an agreement with the New South Wales Long Service Corporation to lease the licence for this software at a cost of \$50,000 per annum.

### Property, plant, and equipment

ACT Leave's property, plant, and equipment comprises furniture and fittings, office fit out in the leased office premises in Bruce, ACT, and plant and equipment. ACT Leave also accounted for its leased assets (right-of-use assets) including the office building, one corporate vehicle, and two photocopiers in the total property, plant, and equipment in the balance sheet under the requirements of the Australian Accounting Standard AASB 16 Leases.

## C5. Government contracting

In 2024-25, ACT Leave engaged external contractors/consultants to provide fund management, actuarial services, audit services, project management and business analysis services. ACT Leave's procurement and contracting activities are conducted in accordance with the provisions under the *Government Procurement Act 2001* and the *Government Procurement Regulation 2007*.

The ACT Government Contracts Register records ACT Government Contracts with suppliers of goods, services and works, with a value of \$25,000 or more. A full search of ACT Leave's contracts notified with an execution date from 1 July 2024 to 30 June 2025 can be made at <https://www.tenders.act.gov.au/contract/search>.

## Secure local jobs code

There were no exemptions from the secure local jobs code requirements provided to ACT Leave during the reporting period under section 22G of the *Government Procurement Act 2001*.

## Aboriginal and Torres Strait Islander procurement policy reporting

ACT Leave understands and fulfills its responsibilities under the ACT Government's Aboriginal and Torres Strait Islander Procurement Policy (ATSIPP) to monitor and report annually on ACT Leave's performance against the three performance measures and maintain an exemption register where applicable. The three performance measures and ACT Leave's performance against these measures in 2024-25 are outlined in the table below:

ATSIPP measures	ACT Leave's performance
The number of unique Aboriginal and Torres Strait Islander enterprises that respond to Territory tender and quotation opportunities	In 2024-25, one unique Aboriginal and Torres Strait Islander enterprise (Salafia & Co Pty Ltd) responded to ACT Leave's quotation request for a minor office refurbishment.
The number of unique Aboriginal and Torres Strait Islander enterprises attributed to a value of Addressable Spend in the financial year	<p>Three unique Aboriginal and Torres Strait Islander enterprises attributed to a value of ACT Leave's Addressable Spend in the financial year:</p> <ol style="list-style-type: none"> <li>1. Salafia &amp; Co Pty Ltd was contracted by ACT Leave to undertake minor office refurbishment</li> <li>2. ACT Leave's office cleaning services have been provided by a unique Aboriginal and Torres Strait Islander enterprise, Kamberra Indigenous Cleaning, since October 2017</li> <li>3. ACT Leave engaged Complete Office Services for stationery supplies under the Whole-of-Government procurement contract. These services included items listed under the Aboriginal and Torres Strait Islander Procurement Policy.</li> </ol>
Percentage of the financial year's Addressable Spend that is spent with Aboriginal and Torres Strait Islander enterprises	The percentage of the ACT Leave's addressable spend that was spent with Aboriginal and Torres Strait Islander enterprises in 2024-25 was 2.1% (target for 2024-25: 2%).

## C6. Statement of performance



AUDITOR-GENERAL AN OFFICER  
OF THE ACT LEGISLATIVE ASSEMBLY 

### INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of the ACT Legislative Assembly

#### Conclusion

I have undertaken a limited assurance engagement on the statement of performance of the Long Service Leave Authority (Authority) for the year ended 30 June 2025.

Based on the procedures performed and evidence obtained, nothing has come to my attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 30 June 2025 are not in agreement with the Authority's records or do not fairly reflect, in all material respects, the performance of the Authority, in accordance with the *Financial Management Act 1996*.

#### Basis for conclusion

I have conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. My responsibilities under the standard and legislation are described in the 'Auditor-General's responsibilities' section of this report.

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and the ACT Audit Office applies Australian Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*.

I believe that sufficient and appropriate evidence was obtained to provide a basis for my conclusion.

#### Responsibilities of the Authority for the statement of performance

The Governing Board of the Authority is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

#### Auditor-General's responsibilities

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*, the Auditor-General is responsible for issuing a limited assurance report on the statement of performance of the Authority.

My objective is to provide limited assurance on whether anything has come to my attention that indicates the results of the accountability indicators reported in the statement of performance are not in agreement with the Authority's records or do not fairly reflect, in all material respects, the performance of the Authority, in accordance with the *Financial Management Act 1996*.

In a limited assurance engagement, I perform procedures such as making inquiries with representatives of the Authority, performing analytical review procedures and examining selected evidence supporting the results of accountability indicators. The procedures used depend on my judgement, including the assessment of the risks of material misstatement of the results reported for the accountability indicators.

#### **Limitations on the scope**

The procedures performed in a limited assurance engagement are less in extent than those required in a reasonable assurance engagement and consequently the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, I do not express a reasonable assurance opinion on the statement of performance.

This limited assurance engagement does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations; or
- adequacy of controls implemented by the Authority.



Rosa San Miguel  
Audit Principal, Financial Audit  
26 September 2025

**Long Service Leave Authority**  
**Statement of Performance**  
**For the Year Ended 30 June 2025**

**Statement of Responsibility**

In my opinion, the Statement of Performance is in agreement with the Long Service Leave Authority's (ACT Leave) records and fairly reflects the performance of ACT Leave for the year ended 30 June 2025 and also fairly reflects the judgements exercised in preparing it.



Anne O'Donnell  
Chair  
Long Service Leave Authority  
25 September 2025

**LONG SERVICE LEAVE AUTHORITY  
STATEMENT OF PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2025**

<b>Objective</b>	<b>Accountability Indicator</b>	<b>2024-25 Target</b>	<b>2024-25 Result</b>	<b>% Variance from Target</b>	<b>Notes</b>
<b>1. Manage appropriate processes to identify and register eligible employers and their employees under relevant schemes.</b>	Percentage of employer registrations in Construction, Community, Cleaning and Security schemes completed within 10 working days of receipt of a correctly completed and verified application form.	100%	95.3%	-4.7%	1
	Percentage of employer registrations in Services scheme completed within 10 working days of receipt of a correctly completed and verified application form.	100%	100%	-	2
	Percentage of missing service claims completed within 10 working days of receipt of all the required information.	100%	98.4%	-1.6%	
	Number of potential Services scheme employers visited in person.	300	608	102.7%	3
<b>2. Ensure that employers' contribution levies are collected efficiently and effectively.</b>	Percentage of employer returns and payments in Construction, Community, Cleaning and Security schemes submitted by due date (five working days after the end of the month following the relevant quarter).	80%	76.0%	-5.0%	4
	Percentage of employer returns and payments in Services scheme submitted by due date (five working days after the end of the month following the relevant quarter).	N/A	N/A	N/A	

**LONG SERVICE LEAVE AUTHORITY  
STATEMENT OF PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2025**

Objective	Accountability Indicator	2024-25 Target	2024-25 Result	% Variance from Target	Notes
<b>3. Ensure that long service leave payments to employees and contractors, and reimbursements to employers, are made in accordance with the Act.</b>	Percentage of long service leave payments to employees and contractors in Construction, Community, Cleaning and Security schemes completed within 10 working days of receipt of a correctly completed and verified claim form.	98%	99.9%	1.9%	
	Percentage of long service leave payments to employees and contractors in Services scheme completed within 10 working days of receipt of a correctly completed and verified claim form.	N/A	N/A	N/A	
	Percentage of reimbursements and refunds to employers in Construction, Community, Cleaning and Security schemes paid within 15 working days of receipt of a correctly completed and verified application form.	98%	97.7%	-0.3%	
	Percentage of reimbursements and refunds to employers in Services scheme paid within 15 working days of receipt of a correctly completed and verified application form.	N/A	N/A	N/A	

**LONG SERVICE LEAVE AUTHORITY  
STATEMENT OF PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2025**

Objective	Accountability Indicator	2024-25 Target	2024-25 Result	% Variance from Target	Notes
<b>4. Ensure that long service leave administered schemes' funds are invested to ensure a long-term surplus of assets over liabilities.</b>	Annual net return for each administered scheme on funds under management in accordance with the Investment Plan.	(2.5% above AWE <sup>27</sup> averaged over five years for each scheme)	Construction: 10.80% Cleaning: 10.60% Community: 10.35% Security: 10.52%	Construction: 82.1% Cleaning: 78.8% Community: 74.5% Security: 77.4%	5
	The ratio of total assets over total liabilities as at 30 June of the financial year for each administered scheme is maintained at least of the target.	110%	Construction: 131% Cleaning: 192% Community: 128% Security: 127%	Construction: 19.1% Cleaning: 74.5% Community: 16.4% Security: 15.5%	6

The above Statement of Performance should be read in conjunction with the accompanying notes.

The above accountability indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

### Notes to the Statement of Performance

- ACT Leave registered 258 new employers and re-registered 19 employers<sup>28</sup> across all schemes during the 2024-25 financial year. There were 13 registrations of the 277 that were not completed within 10 working days of receipt of a correctly completed registration form. This was caused by temporary technical issues related to the implementation of the new administration system.
- The Services Industry Scheme commenced on 1 April 2025 with the intention to combine the existing contract cleaning industry with the hairdressing and beauty services industry and the accommodation and food services industry (the new industries). Due to the entry of the new industries being delayed to 1 July 2026, from 1 April 2025 to 30 June 2025 the Services Industry Scheme only included the contract cleaning industry. ACT Leave registered 6 new employers in the contract cleaning industry between 1 April 2025 and 30 June 2025, all within 10 working days of receipt of a correctly completed registration form. The results for the contract cleaning industry prior to 1 April 2025 are presented under the previous Contract Cleaning Scheme in the previous indicator.
- In-person engagement proved crucial for increasing awareness of portable long service leave with employers and workers in the new industries entering the Services Industry scheme, therefore this activity was extended beyond the planned target.

<sup>27</sup> The measure of AWE used is Australian Average Weekly Ordinary Time Earnings (AWOTE) published by the Australian Bureau of Statistics.

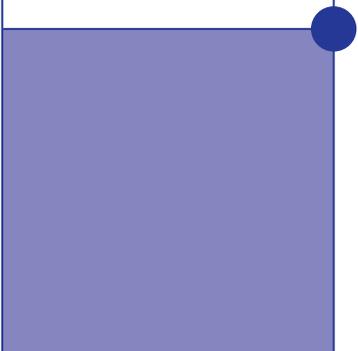
<sup>28</sup> Employers' registration could be stopped temporarily due to having no employees and re-registered again when operations resume with eligible employees.

**LONG SERVICE LEAVE AUTHORITY**  
**STATEMENT OF PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2025**

4. ACT Leave processed a total of 12,252 returns and payments for the 2024-25 financial year with 9,311 being received within 5 working days from the quarterly return due date. The variance from the target was caused by temporary technical issues related to the implementation of the new administration system.
5. ACT Leave invests the funds of its administered schemes in the investment portfolio in accordance with the Investment Plan approved by the Treasurer. The Investment Plan prescribes a strategic asset allocation of 65 per cent in growth-oriented assets, such as equity and property funds, and 35 per cent in other assets including cash and fixed interest investments, through Vanguard Australia. Investment return is net of management fees and includes reinvestment of all distributions. The target for this measure as at the reporting date (2.5% above AWE averaged over 5 years) is 5.93%. ACT Leave's investment return, averaged over the last five years, is higher than the target due to better than anticipated market return in the last five years.
6. At 30 June 2025, ACT Leave had adequate assets to meet its liabilities for all four administered schemes with the ratio of total assets over total liabilities exceeding the target of 110%. The main factor that contributed to high assets over liabilities ratios at 30 June 2025 was higher than expected return on investments.

# Part D

Whole of Government  
Annual Reporting



## D1. Bushfire risk management

ACT Leave is exempt from the reporting requirement under the *Emergencies Act 2004* as ACT Leave is not a manager or owner of unleased Territory Land.

## D2. Human rights

ACT Leave is guided by the intent of the *Human Rights Act 2004* (HRA) in all aspects of its operations. To support this, ACT Leave has guidelines and toolkits which are used to ensure the incorporation of human rights in decision making, policies and procedures, and in recommendations for legislation changes.

The area of focus for ACT Leave, where consideration of human rights in decision making is particularly important, is in exercising compliance and enforcement powers under the *Long Service Leave (Portable Schemes) Act 2009* and procedures for engagement and business visits aimed at raising awareness of workers' rights and employer obligations.

ACT Leave ensures that human rights are considered through the development and implementation of internal policies and procedures. During 2024-25 human rights were considered in the development of the Emergency Response Procedure and the WHS incident or hazard procedure. The Complaints Management Policy developed during 2023-24 was published on the ACT Leave website, along with clear instructions on how a complaint may be made, including over the phone, or via the post. ACT Leave has developed checklists and other tools to guide good decision making in relation to recommendations to escalate matters to legal proceedings. ACT Leave ensures that human rights are considered throughout the development of new policy documents and in the review of existing policy documents. Policies and procedures that have been developed or subsequently reviewed with consideration of human rights are the Emergency Response Procedure and the WHS incident or hazard procedure, Extension of Time, Payment Plan, Waiver of Penalties, Infringement Notice and Penalty Interest (application and waiver), Notice of Inspection and Notice to Produce Information and procedures for referrals to the ACT Office of Director of Public Prosecutions and the ACT Civil and Administrative Tribunal.

ACT Leave's staff are aware of the public information provided by the ACT Human Rights Commission and training opportunities offered. In the reporting period, staff attended training and participated in related awareness and education activities outlined in the table below.

Training	Number of completions
Human Rights for ACT Public Authorities	All ACT Leave staff
Know Your Obligations	All ACT Leave staff
International Women's Day	All ACT Leave staff
National Reconciliation Week	2 Finance Team staff
NAIDOC Week	All ACT Leave staff

All ACT Leave staff involved in the procurement of goods and services must follow the purchasing principles and guidelines as stated in the *Government Procurement Act 2001*, *Government Procurement Regulation 2007* and *Government Procurement Amendment Regulation 2009 (No 1)*. ACT Leave uses the ACT Government standardised procurement and contract templates. It is a requirement of all respondents to abide by all relevant legislation in connection with any engagement that they might have with the ACT Leave, including meeting their obligations and compliance with the HRA.

There were no cabinet submissions or human rights issues identified or consultation with any human rights advisors or any litigation cases brought before courts or tribunals which have involved arguments concerning the HRA during 2024-25.

### D3. Legal services directions

ACT Leave is aware of the requirements and the responsibilities under the *Law Officers Act 2011* and its directions such as the Law Officers (General) Legal Services Directions 2023 and Model Litigant Guidelines 2010. ACT Leave ensures these legal provisions are complied with throughout any litigation process.

There were no breaches of the legal services directions during the reporting period.

### D4. Territory records

ACT Leave's records are managed in accordance with Records Management Program endorsed by the Chief Executive Officer and Registrar, and the Disposal Schedule approved by the Territory Records Office. The Records Management Program establishes compliance with requirements specified in the *Territory Records Act 2002* and to provide guidance on the management of ACT Leave records. ACT Leave's Records Management Program is currently under review.

ACT Leave's records include the organisation's portable long service leave scheme register, entitlement claim applications and payments, corporate policies and procedures, financial transactions, and other records that are maintained to effectively administer the *Long Service Leave (Portable Schemes) Act 2009*. These electronic records are backed up daily and stored in a secure location in accordance with ACT Leave's business continuity plan and risk management practices.

ACT Leave's focus is on the implementation and application of a records management program and policy and lifting records management capability and awareness within the organisation. ACT Leave is working with the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) Records Management team to adopt the CMTEDD Records and Information Governance Plan.

Records Disposal Schedule	Effective	Year and no.
Territory Records (Records Disposal Schedule – Industry Long Service Leave Records) Approval 2006 (No 1)	14 July 2006	NI2006—256



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