



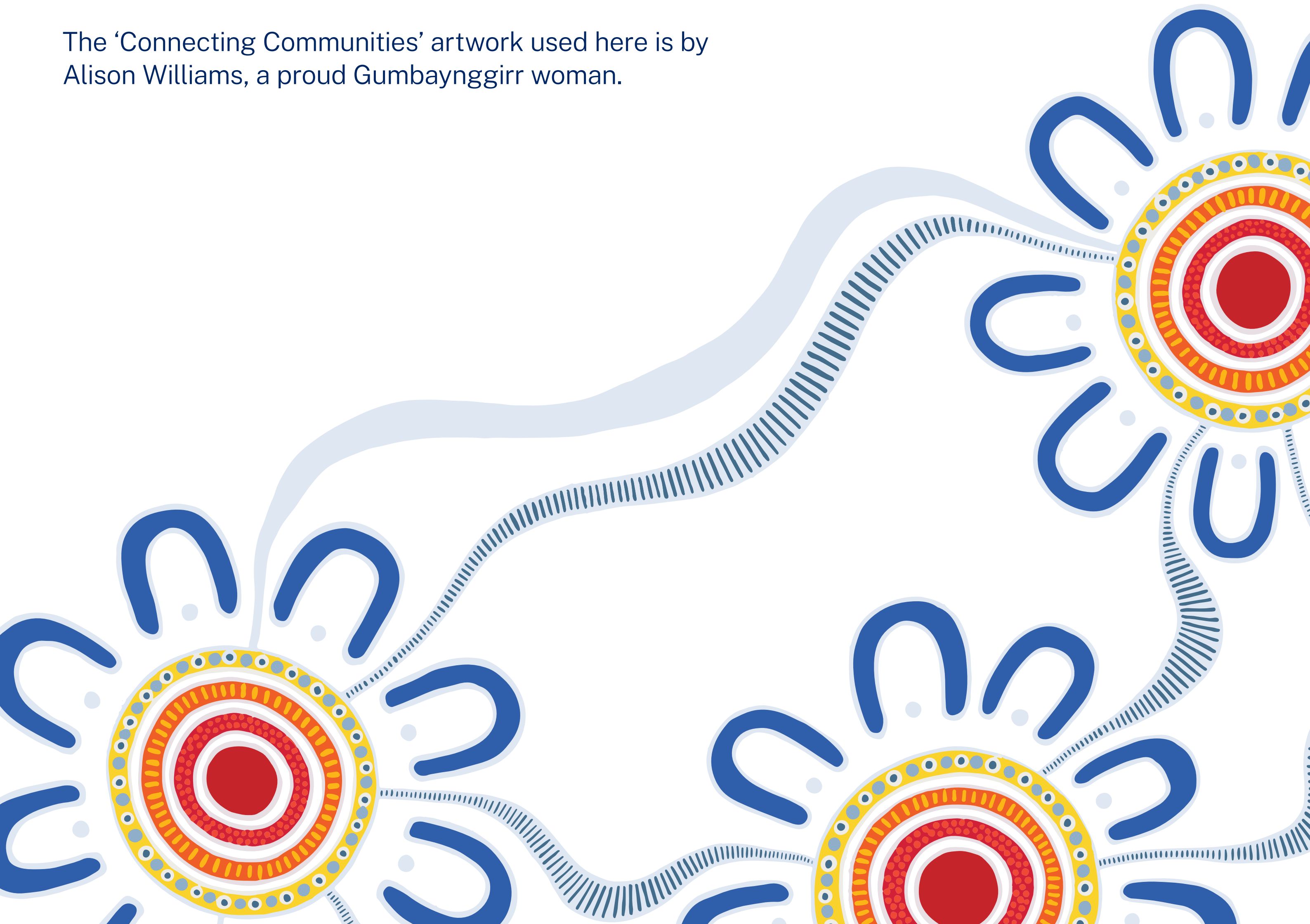

Long Service Corporation Annual Report 2023-2024

Acknowledgement of Country

The Long Service Corporation acknowledges, respects and values Aboriginal peoples as the Traditional Custodians of the lands on which we live, walk and work. We pay our respects to Elders past and present. We recognise and remain committed to honouring Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships, and continuing connection to their lands, waters and seas. We acknowledge their history here on these lands and their rich contribution to our society.

We also acknowledge our Aboriginal employees who are an integral part of our diverse workforce, and recognise the knowledge embedded forever in Aboriginal and Torres Strait Islander custodianship of Country and cultures.

The 'Connecting Communities' artwork used here is by Alison Williams, a proud Gumbaynggirr woman.



Annual Report 2023-24

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8:30am to 5:00pm Monday to Friday

Acknowledgements

This annual report was produced wholly by Long Service Corporation officers.

Copyright and disclaimer

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Letter of submission

Department of Customer Service
Office of the Secretary

Our reference: BN-06239-2024
Date: 28/10/24

The Hon. Sophie Cotsis MP
Minister for Industrial Relations
Minister for Work Health and Safety
GPO Box 5341
SYDNEY NSW 2001

Re: Long Service Corporation Annual Report 2023-24

Dear Minister

I am pleased to submit the annual report for the Long Service Corporation for the year ended 30 June 2024 for presentation to Parliament.

This report has been prepared in accordance with Part 7 of the *Government Sector Finance Act 2018* and the Government Sector Finance Regulation 2024.

Sincerely,

Graeme Head AO
Secretary

Secretary's message

I am pleased to present the 2023-24 Annual Report for the Long Service Corporation (LSC). LSC has continued to provide remarkable customer service, delivering business efficiencies and significant digital improvements throughout the year to best serve workers and employers captured under the Building and Construction Industry Portable Long Service Leave and Contract Cleaning Industry Portable Long Service Leave schemes.

I would like to thank the Chair and Members of the Building and Construction Industry Long Service Payments Committee, the Contract Cleaning Industry Long Service Leave Committee and the Audit and Risk Committee for their ongoing support and advice during the year.

I look forward to working with the LSC team in 2024-25 as it stands up the Government's new Community Services Industry Portable Long Service Leave scheme and continues to work towards achieving meaningful and lasting outcomes for our customers and for the people of NSW.

Graeme Head AO
Secretary, Department of Customer Service

About this report

About this report

This report covers the Long Service Corporation (LSC) from 1 July 2023 to 30 June 2024.

There were no external production costs and the annual report is available in electronic format on the LSC website at www.longservice.nsw.gov.au.

Changes after the reporting period

No after balance date events that have a significant effect on financial operations, other operations or clientele/community serviced have occurred.

1. Overview

Who we are

Our purpose, vision and values

LSC, a separate statutory authority and part of the DCS, was established as the Building and Construction Industry Long Service Payments Corporation in 1982. With the introduction of the Long Service Corporation Act 2010 and the Contract Cleaning Industry Portable Long Service Leave Scheme, the organisation's name changed to the Long Service Corporation.

LSC administers the Building and Construction Industry Long Service Payments Act 1986 (BCI Act) and the Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010 (CCI Act) to provide portable long service payments to building and construction and contract cleaning workers in NSW.

Prior to the introduction of these schemes, many workers in the building and construction and contract cleaning industries were unable to qualify for an entitlement for leave under the Long Service Leave Act 1955 as they did not remain with the same employer for a long enough period. The schemes administered by LSC enable workers to receive long service benefits for their service in their industry.

As at 30 June 2024, LSC provides portable long service to:

Building and Construction Industry

519,745	40,491
workers	employers

Figure 1: BCI customer total as at 30 June 2024

Contract Cleaning Industry

137,197	1,209
workers	employers

Figure 2: CCI customer total as at 30 June 2024

Who we are

Our responsibilities, range of services and community served

LSC has a diverse range of stakeholders in the building and construction and the contract cleaning industries. The organisation engages with the NSW community, government, employers, workers and third parties. LSC monitors its engagement through customer satisfaction surveys and feedback.

Stakeholders	Key issues
NSW community (Levy payers and general community)	**Levy payers:** Levy payment of 0.25% on all building and construction work valued at $250,000 and above; and 1.0% of ordinary wages for the contract cleaning scheme. **General community:** Information about the portable long service schemes and why we have them and how they are funded.
Workers (Workers, contractors, trade unions)	**Workers:** Registration, recording service, claiming entitlements, other scheme related information and advice. **Contractors:** Registration, recording service, claiming entitlements, other scheme related information and advice. **Trade unions:** Worker advocacy, scheme coverage, scheme entitlements and industry committee membership.
Employers (Employers, employer groups/industry associations)	**Employers:** Responsibilities under the Acts, registration, lodging worker service returns, claiming entitlements, compliance, levy contributions, payment plans and queries. **Employer groups:** Employer advocacy, scheme coverage, scheme entitlements and industry committee membership.
Third parties (Private certifiers, suppliers, interstate schemes, tax agents)	**Private certifiers:** Regulation, policy and payment arrangements within the building and construction scheme. **Suppliers:** Policy, procedures and payment arrangements. **Interstate schemes:** National Reciprocal Agreement (NRA), national cooperation initiatives. **Tax agents:** Submitting returns for contractors in the building and construction scheme.
Government (Local government, government agencies)	**Local government:** Levy collection agent, scheme information for the building and construction scheme. **Government agencies contracting work in both industries:** Responsibilities under the Acts.

Table 1: Stakeholders/key issues

Who we are

Our functional structure

Following Machinery of Government changes that came into effect on 1 December 2023, the Better Regulation Division of DCS moved from functional to regulator brand streams (SafeWork NSW, NSW Fair Trading and the Building Commission NSW). As LSC was already intact as a regulator, there was little change and LSC moved into Fair Trading Policy and Delivery (P&D) under Fair Trading and Regulatory Services (FTRS) from 1 December 2023.

Prior to December 2023, LSC formed part of the Licensing and Funds (L&F) stream within the Better Regulation Division of DCS.

Secretary, Department of Customer Service			
Deputy Secretary, Fair Trading and Regulatory Services			
Executive Director, Fair Trading Policy and Delivery			
Director, Long Service Corporation			
Customer Service	**Digital Experience**	**Projects**	**Scheme Governance and Risk**
Delivers frontline service to customers including initiatives to improve and streamline client services. Three teams manage enquiries, registrations/ service records; and claims.	Implements new Information and Communications Technology (ICT) systems, including enhancement projects to deliver improvements to customer service; information security management; ICT service contract management; data analysis and reporting; and business as usual ICT requirements.	Implements major projects such as the introduction of new long service schemes including communications and engagement; change management; internal policy and procedures; and support of system delivery.	Undertakes levy collection; regulatory compliance; committee secretariat; audit and risk support; records, website, procurement and contract management; planning; reporting; fund investment and Service NSW contact centre relationship management; quality assurance; appeal review; and outreach.

What we do

Our functions

- Ensuring industry workers are registered in the scheme and their service is recorded.
- Ensuring industry employers are aware of their obligations and complying with the scheme.
- Collecting the long service levy and fund oversight.
- Paying claims to workers and employers.
- Outreach and education to the participating NSW industries.

Corporate support services

LSC has a Memorandum of Understanding (MOU) in place with DCS Corporate Services to access practical business support in the areas of:

- Procurement
- ICT contract management
- ICT system support and cybersecurity management
- Legal
- Policy
- Communications
- Internal audit
- Human resources and recruitment
- Financial accounting and reporting.

The MOU provides a relationship management structure that ensures LSC has ready access to necessary expert advisors and support networks, allowing LSC to focus on core service delivery.

LSC also has an agreement with Service NSW (SNSW) for the provision of call centre functions.

Agreed areas of cost recovery for services accessed by LSC ensures transparency of costs incurred in the administration of the schemes.

Principal officers

Emma Hogan
Secretary, Department of Customer Service (until November 2023)
Post Grad, Human Resource Management

Graeme Head
Secretary, Department of Customer Service (November 2023 to date)
Order of Australia (AO), Fellow of the Institute of Public Administration of Australia

Natasha Mann
Deputy Secretary Fair Trading and Regulatory Service
NSW Fair Trading Commissioner
Bachelor of Arts (Hons), Bachelor of Laws

Suzanne Crowle
Executive Director, Fair Trading Operations NSW Fair Trading (until December 2023)
Bachelor of Commerce (Marketing), Bachelor of Laws, Grad Diploma in Legal Practice

John Tansey
Executive Director, Department of Customer Service NSW Fair Trading Policy and Delivery
(December 2023 to June 2024)
PSM, BA University of Sydney, ANZSOG Executive Fellows Program

Kathy Skuta
Director, Long Service Corporation
Master of Economics, Bachelor of Commerce (Hons)

Allison Payne
Manager, Scheme Governance and Risk
Bachelor of Business (Accounting), Grad Cert Business Administration

Tess Parker
Manager, Customer Service
Grad Cert Public Sector Management, Master of Arts Public Sector Leadership

Sharonne Moore
Manager, Digital Experience
B.A. (Communications), M.A. (Communications, Technology and Policy), Grad Diploma (Financial Management)

Chris Merry
Manager, Projects

2. Strategy

Our strategic objectives

LSC has three key strategic areas of focus: Customer Experience, Digital and People.

1. Customer Experience is focused on making our customers' journey with us as easy as possible including improving awareness of new self-service capability, outreach programs and reducing customer wait times.
2. Digital is focused on improving our ability to deliver our services through digital channels including the implementation of the Salesforce/SAP system which will facilitate expansion of our digital offering.
3. People goals are inwardly focused improvement plans. These look to ensure LSC is a great place to work and to provide our people with the tools they need to be successful.

In addition, LSC supports Ministerial and Government priorities. Two key priorities identified for the coming year are:

- the introduction of a new portable long service leave scheme for workers in the Community Services sector; and
- exploring the application of the LSC schemes to Commonwealth places.

Our values in action

We bring our public sector values of integrity, trust, service and accountability to life in our day-to-day actions.

Developing our people

We prioritise developing, supporting and motivating our team members so all our people have the knowledge, skills and attributes to drive forward our performance as a modern, customer-centric business unit.

Care and belonging

We foster an environment of care, belonging, respect, inclusivity, collaboration and open communication.

Strategic planning and performance framework

We are contributing to improving the way the government interacts with the people of NSW by putting the customer at the centre of all our programs and initiatives. Our aim is to deliver services in a way that everyone can access and interact with LSC in a meaningful way.

Strategic plan 2024-25

Priority	Actions
Improve service delivery and customer and industry engagement	• Improve LSC website, portals and other external messaging • Set and uphold service level expectations • Proactively educate customers and improve industry awareness • Improve clarity on what we offer and how we can help
Train, support and empower our people	• Demonstrate results and progress towards the PMES Action Plan • Focus on workforce planning, recruitment and retention of quality people • Develop customer centric training including preparing staff for new functions and systems
Plan and implement our digital roadmap	• Provide a secure, seamless, accessible and intuitive UX • Design and deliver CCI and CSI digital systems • Manage digital and cyber risk • Leverage data and analytics to inform decision making, optimise services and capture customer insights
Deliver on our legislative obligations and Government priorities	• Transition and manage investments under new OneFund arrangements • Deliver all services and reporting requirements under legislation • Deliver on our Compliance Strategy • Improve contract and provider management and engagement
Prepare for the Community Services Industry (CSI) Portable Long Service Scheme	• Implement a plan to operationalise new scheme • Deliver stakeholder and community engagement • Deliver customer education • Develop a target operating model • Establish governance forums

Figure 3: Strategic plan for 2024-25

Performance review

Performance review 2023-24

Customer experience	
Actions (deliverables)	**Targets achieved**
Q1	
Develop Salesforce communication and support for BCI employers	Completed – Online support capability implemented within the portal.
Q2	
Develop Salesforce communication and support for BCI workers	Completed – Online support capability implemented within the portal.
Review customer service	Delayed
Review Service NSW helpline agreement	LSC is negotiating a new helpline agreement with SNSW. The current agreement has been extended.
Q3	
Develop Salesforce communication and support for CCI customers	Delayed
Review customer service	Ongoing – Claims processing review underway November – December 2023 – June 2024. Claims processing times improved (cyclical). Further work underway to simplify forms and questionnaires.
Q4	
Explore scope for mobile application development	Ongoing – Explored options with Salesforce Solution Architect to develop a proof of concept for a mobile app. Future design and build work will also support responsive design to ensure that customer facing services are optimised for mobile devices.
Review LSC website content	Completed – Priority website updates, with ongoing review as required.
Determine future customer service metric	Key reporting is now available and is being monitored to support the design of relevant customer service metrics.

Digital	
Actions (deliverables)	**Targets achieved**
Q1	
Implement Salesforce for BCI scheme (Project Phoenix)	Implementation is complete – There is ongoing resolution of outstanding defects and enhancements.
Q2	
Develop Salesforce backlog and reporting	Backlog has been identified and prioritised. Ongoing reporting and backlog management is being resourced.
Engage backlog Tiger Team	Delayed – DCS Corporate Services is responsible for Tiger Team engagement and is supported by the Phoenix team in the interim.
Q3	
Implement Salesforce for CCI scheme	Delayed – Identification and prioritisation of CCI functional and non-functional requirements is underway, which will support replanning.
Operationalise Tiger Team	Target operating model is underway for Salesforce backlog and enhancements. With the absence of the Tiger Team, this work is supported by the Project Phoenix team and our support and maintenance partner.
Prioritise Salesforce backlog	LSC has identified its current backlog priorities which will be continuously updated.
Implement reporting	Ongoing – Key BAU reporting requirements for BCI are in place. CCI reporting requirements to be captured.
Q4	
Develop new ICT business partner relationship management	Fortnightly meeting scheduled with DCS ICT partners. Quarterly meetings with CISO business partner.
Manage systems and upgrade plan	System and upgrade plan is ongoing (dependency on CCI implementation date).

Performance review

People	
Actions (deliverables)	**Targets achieved**
Q1	
Conduct PMES survey	PMES results received October 2023 and updated to all staff at June 2024 Town Hall.
Conduct training and change management for BCI Phoenix	Completed
Conduct workforce planning	Completed – with 27 new roles created to support business requirements.
Q2	
Review PMES results and develop action plan	PMES results received October 2023. An action plan to December 2024 confirmed in consultation with staff. Work on outstanding items continues to calendar year end.
Confirm target operating model and commence strategic recruitment	Target operating model confirmed and recruitment at various stages.
Q3	
Conduct training and change management for CCI Phoenix	Delayed – Change management planning underway. Training cannot be developed until the CCI system has been built.
Conduct further workforce planning and recruitment	Workforce planning for new Community Services Industry scheme underway.
Q4	
Implement PMES action plan	Completed PMES plan for 2023 implemented and regular updates provided to the LSC team members via Town Hall meetings throughout the year.
Map customer journeys for staff	First journey map completed.

Note: * Indicates action is related to the delivery of Project Phoenix.

Table 2: Performance review 2023-24

3. Operations and performance

Highlights and achievements

New Community Services scheme

The Government introduced legislative provisions this year for a new portable long service leave scheme for workers in the Community Services sector. The Community Services Industry (CSI) scheme will allow community sector workers on short-term contracts to accrue long service leave.

The legislation passed in June 2024, allows for LSC to stand up a new industry committee and a dedicated statutory purpose fund. LSC is working closely with the sector to design the supporting regulations for community services, as well as the digital, education and engagement resources needed to make it easy and straightforward for workers and employers to access the new scheme when it commences.

Staff recruitment

LSC undertook comprehensive review of its workforce to address functional gaps within the business. LSC created 27 new roles and continues to recruit, onboard and train new staff to fill vacancies as a priority. LSC is also actively recruiting a cross-functional project team to stand up the CSI scheme. The project team will include subject matter experts in scheme administration, technology scoping, industry engagement and communication. Further work force planning is underway to confirm the target operating model to support the new scheme along with the existing portable long service schemes.

Hybrid working environment

Most LSC staff have continued to work in a combination of both office and home-based environments embracing hybrid ways of working. Staff are able to work remotely, enabled by secure channels and using communication and technology strategies initiated by DCS to provide our customers with outstanding service.

Project Phoenix update

LSC launched its new online portals for the Building and Construction Industry scheme in August 2023. The online portals are part of a new integrated Salesforce/SAP system and is an important step in our journey to transform customer service interactions and service delivery. The new portals aim to provide customers with digital access to LSC services 24 hours a day, seven days a week, and will enhance the oversight of the scheme by LSC.

Work is progressing to stand up the Contract Cleaning Industry Long Service scheme onto the new platform, with a focus on ensuring that the new systems provide a seamless customer experience for workers and employers.

Outreach program

Over the last year, LSC has also introduced initiatives to better service our customers by offering face-to-face support as part of an outreach program.

LSC representatives are now conducting site visits to engage directly with workers and employers in the building and construction industry, resolve issues and inform workers about the portable long service schemes.

This program was implemented following a successful pilot program run in conjunction with Unions NSW, CBUS and ACIRT in May 2024, where an LSC liaison officer visited construction sites in Sydney CBD and North Sydney and engaged with over 170 workers.

A counter service has also been re-established at LSC's offices at level 2, 32 Mann Street, Gosford. This service is currently available on Tuesdays from 8:30am to 4:30pm.

Highlights and achievements

Customer enquiries

LSC responded to over 128,000 customer enquiries, which included over 85,000 calls managed through Service NSW, who operate the helpline on our behalf. Customer enquiries decreased by 12% compared to the previous year.

Customer feedback

LSC recorded a total of 854 unsolicited feedback items from customers during the 2023-24 financial year, with 90% of complaints resolved within 20 days. This feedback included:

- 691 complaints
- 52 compliments
- 111 suggestions.

The main complaint themes related to wait times for processing and responses. The second highest volume of complaints relate to issues with the new system. The complexity in resolving the technical aspects of the system complaints have contributed to the longer than normal time frame for complaint resolution.

Feedback items

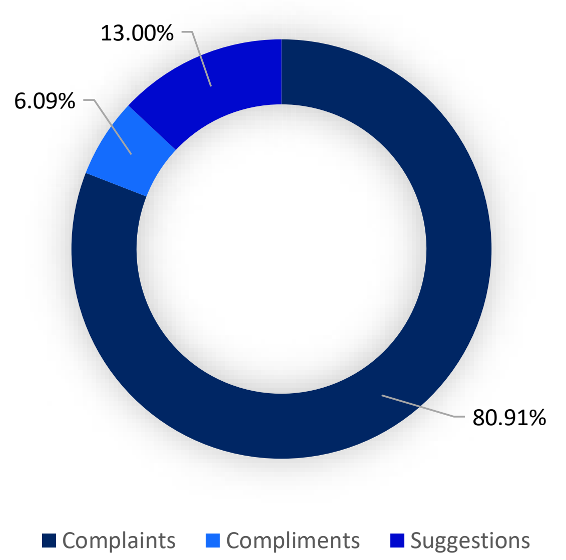

Figure 4: Feedback items from customers

Survey responses

The operation of LSC's previous portal customer survey ceased at the conclusion of the previous financial year in preparation for the new Salesforce/SAP system.

The new functionality allows LSC customers to provide their feedback directly into the portal. This resulted in an increased volume of feedback across the year compared to the previous year.

Proactive customer surveys

DCS has continued to use Qualtrics as the preferred tool to capture customer sentiment from proactive surveys following the LSC pilot of this system.

From June 2023 through to June 2024, LSC received 21 Qualtrics survey responses from customers who paid a BCI levy. The consistent customer feedback identified was the need for a simple process to obtain the receipt of payment. There were also 3 comments regarding how easy the portal was to use.

LSC will continue to monitor feedback and review surveys from customers and take action to improve services in response to their feedback.

Customer satisfaction	Total
Extremely satisfied	36%
Neither satisfied or dissatisfied	14%
Somewhat dissatisfied	21%
Extremely dissatisfied	29%

Table 3: Customer satisfaction feedback

Highlights and achievements

Operations review

	Building and Construction Industry (BCI)	Contract Cleaning Industry (CCI)
New worker registrations	32,215 ↓	10,569 ↑
Workers removed from register	8,792 ↓	602 ↓
Total numbers of active registered workers	519,745 ↑	137,197 ↑
New employer registrations approved	2,682 ↓	94 ↑
Total number of registered employers	40,491 ↑	1,209 ↑
Levies collected value	$135.6 million ↓	$10.2 million ↑
Worker claims volume	10,310 ↓	703 ↓
Worker claims value	$102.3 million ↓	$3.6 million ↓
Employer claims volume	1,041 ↓	1,159 ↑
Employer claims value	$6.7 million ↓	$3 million ↑
Inbound calls to helpline	80,465 ↓	4,582 ↓

	Combined scheme activity
Customer enquiries by email	32,251 ↓
Customer enquiries via internet	9,709 ↓
Incoming paper correspondence*	1,335 ↓

*Does not include return to sender.

Note: The arrows represent an increase or decrease compared to the previous financial year.

Table 4: Operations statistics

BCI claims

LSC has seen customer average wait times for payments of BCI claims increase and then decline during the year – see Figure 3.

LSC has continued its efforts to reduce the time taken to assess and pay claims following the expected increase seen since the transition to our new portals on 28 August 2023. Ongoing efforts to fill vacancies quickly, embed learning and improve operational processes have also contributed to these results.

Improved digital capability to support stronger uptake of online services has been built with the expected benefits from deployment anticipated to be realised into 2024 as staff and customers learn the new system. With this change, it is expected that the vast majority of future claims will be lodged via the online portal.

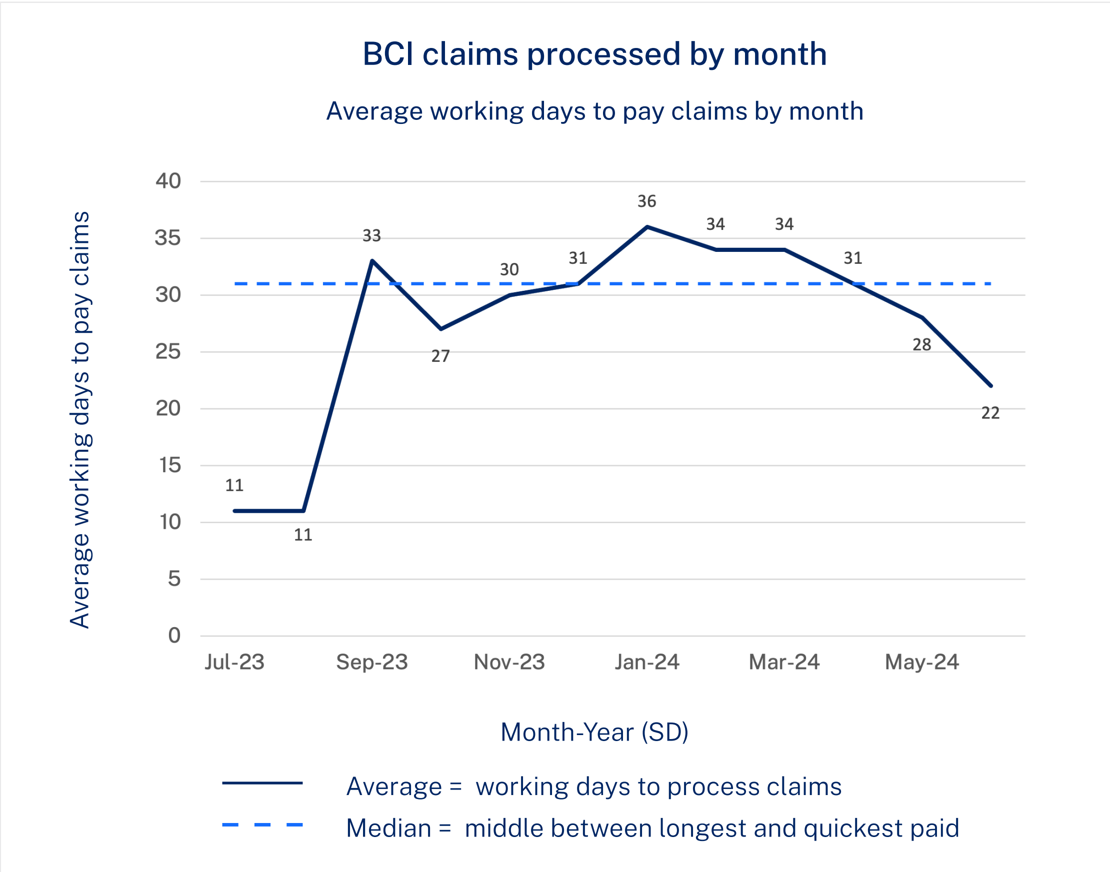

Figure 5: BCI claims processed by month

CCI claims

LSC has seen average customer wait times for payments for CCI steadily decline throughout this year, apart from the expected increases relevant to quarterly employer returns. Workforce planning is ongoing and used to ensure that vacancies are filled quickly.

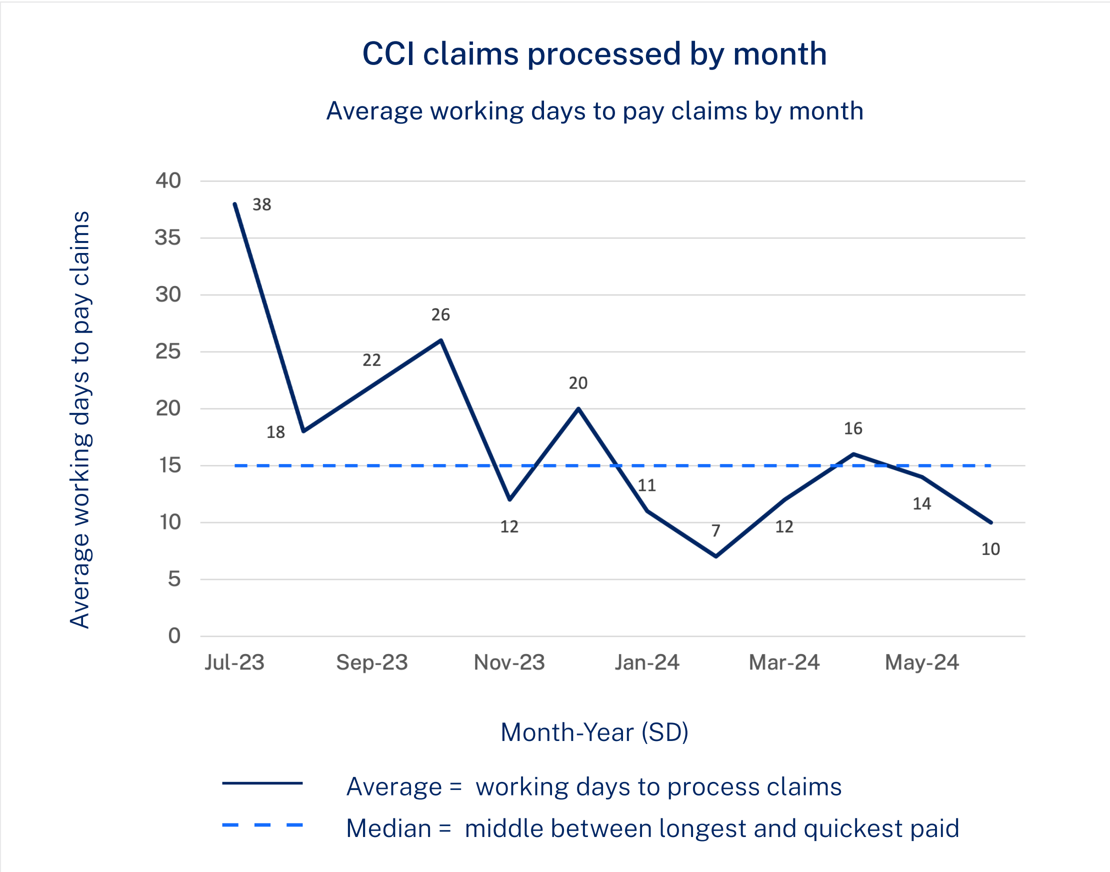

Figure 6: CCI claims processed by month

Compliance activity

The Compliance Plan for 2023-24 included recurring annual compliance activities and targeted proactive compliance activities. Reactively, information is provided to LSC's Compliance Team from both internal and external sources such as:

- LSC Claims Team
- LSC Registrations Team
- LSC Quality Assurance Team
- LSC Levies Team
- Other NSW Government Agencies
- Interstate long service schemes.

As a result of information received by the above sources, 96 matters were referred to Compliance for investigation. Thirty-four matters remain under investigation by the Compliance Team. A total of 62 matters have been closed in the 2023-24 year, resulting in 849 years of service removal with scheme savings totalling more than $830,000.

Throughout the year, proactive compliance programs included:

- BCI High-Risk Work Type
- BCI Levy Data Verification
- CCI Registration Verification.

The BCI High-Risk Work Type program was undertaken using the data that was available within LSC's own databases. Employers were selected from the database that were within the Sydney, Hunter and Illawarra regions, resulting in the inspection of 18 employers. Those inspections further identified that 69 workers needed investigation of their recorded service. The result of these investigations highlighted 39 workers with partially or fully ineligible service. The result of this program saw 68 years of service removed from these workers, with a scheme saving of $70,000. These workers were all informed of their appeal rights in relation to these decisions. The non-compliant employers were issued an education or warning letter.

Using internal BCI levy data, cross matched with data received from another regulatory agency, the information was used to ascertain if levies paid to LSC were reasonable. The data matching outcomes from this program will be used as an intelligence tool moving forward to targeting specific potential risk areas for future levy compliance activity.

The CCI Registrations Verification program identified ongoing issues with the registration of some employers and workers within CCI. Intelligence was gathered from multiple online employment platforms and the unions. This data is being analysed to understand the various employment/worker roles and how they fit within the legislation, in particular hospitality work included in the Contract Cleaning Industry Portable Long Service Leave Scheme (Cleaning Work Order 2022). This work is ongoing and will result in a further program of investigation in 2024-25.

Normally, within the annual schedule of proactive compliance programs, a BCI Annual Returns program is undertaken to follow up employers who have not submitted service returns for their workers within the required time frame. Given the migration from the legacy Worker Registration System (WRS) platform to the Salesforce/SAP system occurred during the normal annual return reminder period, it was decided this program be deferred. Data on outstanding annual returns will be used to scope future follow-up activities.

Future compliance activities will include:

- BCI High-Risk Work Type – targeted work types to be determined
- BCI Annual Returns
- BCI Levy Revenue Leakage Risk Identification
- CCI Unregistered Employers
- Outstanding CCI employer returns and levy.

There is scope to add further proactive compliance programs to the calendar dependent upon business needs and industry trends.

Financial highlights

REVENUE AND EXPENSES

Revenue from all sources amounted to $285.9 million, whilst expenditure amounted to $308.2 million. This resulted in a loss of $22.9 million.

The actual net result was unfavourable to budget by $23.1 million, primarily due to the following:

	$'000
• Increased Investment Returns	25,266
• Decrease in levy income	(4,796)
• Increased Information and Communication Technology expenses	(17,100)
• Increased long service expenses (Scheme Liability and Finance costs)	(27,155)

BUDGET AND RESULT	**Budget 2024 $'000**	**Actual 2024 $'000**	**Actual 2023* $'000**
Expenses excluding losses			
Personnel services	13,121	13,379	9,886
Operating expenses	13,235	29,616	15,154
Depreciation and amortisation	1,186	294	293
Finance costs	65,783	69,944	61,210
Scheme Liability expenses	171,964	194,958	154,833
TOTAL EXPENSES EXCLUDING LOSSES	**265,289**	**308,191**	**241,376**
Revenue			
Investment revenue	114,701	139,967	137,207
Long service levy income	150,700	145,904	185,019
Other revenue	5	10	15
Total Revenue	**265,406**	**285,881**	**322,241**
Gain/(losses) on disposal	**-**	**(626)**	**1**
NET RESULT	**118**	**(22,936)**	**80,866**

* The comparative periods are prepared based on restated amounts. Refer to Note 1(g) in the financial statements for further details

FINANCIAL TRENDS	**Actual 2020 $'000**	**Actual 2021 $'000**	**Actual 2022 $'000**	**Actual 2023* $'000**	**Actual 2024 $'000**
Expenses excluding losses					
Personnel services	7,974	7,262	7,482	9,886	13,379
Operating expenses	7,219	9,023	13,740	15,154	29,616
Depreciation and amortisation	373	44	243	293	294
Finance costs	20,414	14,954	24,465	61,210	69,944
Scheme Liability expenses	275,127	77,242	51,784	154,833	194,958
TOTAL EXPENSES EXCLUDING LOSSES	**311,107**	**108,525**	**97,714**	**241,376**	**308,191**
Revenue					
Investment revenue	49,528	172,372	(149,692)	137,207	139,967
Long service levy income	163,447	207,472	227,431	185,019	145,904
Other revenue	262	282	755	15	10
TOTAL REVENUE	**213,237**	**380,126**	**78,494**	**322,241**	**285,881**
Gain/(loss) on disposal	7	(70)	-	1	(626)
NET RESULT	**(97,863)**	**271,531**	**(19,220)**	**80,866**	**(22,936)**

FINANCIAL POSITION

The principal assets continue to be investments of $2,372 million in the TCorp Long Service Corporation Investment Fund and the principal liabilities are the estimates of Scheme Liabilities of $1,898 million as assessed by the Corporation's Actuary. Equity decreased by $22.9 million with accumulated funds of $515 million at 30 June 2024.

Financial highlights

INVESTMENTS

The Corporation invested its funds in the Long Service Corporation Investment Fund administered by NSW Treasury Corporation (TCorp).

The following table shows the movement in funds and the rate of return compared with the benchmark return.

	BALANCE ON HAND AS AT		INVESTMENT PERFORMANCE		BENCH MARK
	30 JUNE 2024	30 JUNE 2023	INCOME	RETURN	RETURN
FUND CATEGORIES	$'000	$'000	$'000	%	%
Long Service Corporation Investment Fund	2,371,754	2,212,601	139,967	6.24%	5.0%

Committees

Building and Construction Industry Long Service Payments Committee

The Building and Construction Industry Long Service Payments Committee (BCI Committee) is constituted under the BCI Act. It is an advisory and appellate body, consisting of 10 part-time members appointed by the Minister and chaired by the CEO or delegate. The BCI Committee is empowered under section 9 of the BCI Act to advise on the administration of the BCI Act, including matters concerning publicity, the investment of funds and the rate of the long service levy.

The Committee decides appeals lodged against LSC decisions to: reject an application for registration in the scheme made on behalf of or by workers; cancel registrations of workers in the scheme; and refuse service credits to registered workers.

It also decides appeals lodged by levy payers in relation to an assessment made of the amount of a long service levy due for construction of a building; a direction given, or refusal to give such direction, in relation to interest payable on a long service levy not paid before the due date, or extension of time for payment of a long service levy.

Apart from its statutory functions, the BCI Committee also acts as 'Customer Council' in relation to customer service standards and helps ensure that the quality and effectiveness of services meet customers' needs.

This year the BCI Committee met on five occasions, via a secure web-based platform, providing support and advice to LSC regarding issues such as:

- Proposed legislative amendments for coverage of work undertaken on Commonwealth places
- Project Phoenix and the opportunity to participate in demonstrations
- Scheme eligibility of Mechanical fitters, CAD work, off-site glass work, plant mechanics, tower cranes and work on Tiny Homes
- Outreach programs.

Appeals

Sections 49-54 of the BCI Act empowers the BCI Committee to determine appeals lodged by workers, employers and levy payers in relation to certain LSC decisions. Appeals are considered and determined on the basis of documentary evidence submitted by the parties involved.

The BCI Committee heard and gave consideration to 44 appeals lodged by workers.

There were no appeals lodged by levy payers.

There was no bulk cancellation of registrations appeals in 2023-24, resulting in a reduction in the number of appeals lodged by workers.

Committees

BCI Committee Meetings July 2023 – June 2024

BCI Committee Members	Attendance
Christine Gowland (BBus – Accounting) Director – Registry and Accreditation DCS Chairperson	5 out of 5
Iain Jarman (Grad Dip Commerce, Grad Dip Corporate, Securities, Finance, Law, Grad Cert Public Sector Management) Industrial Officer – Master Builders Association (MBA) NSW Nominated jointly by the MBA NSW and the Australian Federation of Employers and Industries (AFEI)	5 out of 5
Paula Thomson (LLB/B Business) Manager – Workplace Relations, AFEI Legal Senior Associate Nominated jointly by the MBA NSW and the AFEI	1 out of 5
Rita Mallia (B. Economics/Law) State President – Construction Forestry Mining Energy Union (CFMEU), (Construction and General Division) NSW Nominated by Unions NSW	5 out of 5
Thomas Costa (B.Sc/LLB (Hons) Science/Law, LLM, GDLP, B.INGS (Hons)) Assistant State Secretary – Unions NSW Nominated by Unions NSW	2 out of 5
Brian Seidler (B. Build) Executive Director – MBA NSW Directly appointed by the Minister	3 out of 3
David Bare (BE (Mat.) Business Management Certificate (General Management)) Executive Director – Housing Industry Association (HIA) Directly appointed by the Minister	2 out of 5
Robyn Fortescue (BA) Assistant State Secretary – Australian Manufacturing Workers Union (AMWU) Nominated by Unions NSW	4 out of 5
Tony Callinan Branch Secretary – The Australian Workers' Union NSW Branch Nominated by Unions NSW	0 out of 2
Jasminne Muliadi (BA, BA Laws, Grad Dip Legal Practice, Legal Practice Management) Manager – Policy, Contracts and Compliance, Industrial Relations and Legal Services, HIA Directly appointed by the Minister	4 out of 5
Justin Page (GAIST (Adv.)) Coordinator – Hunter Jobs Alliance, Electrical Trades Union Directly appointed by the Minister	5 out of 5
Hamish Harrington (BA (Usyd), J.D. (UNSW), GDLP (College of Law)) Senior Industrial Officer – (MBA) NSW Nominated jointly by the MBA NSW and the AEFI	5 out of 5

Table 5: BCI Committee members and meetings*

*One meeting was a special meeting to discuss LSC eligibility policy of new ways of working within the building and construction industry.

Committees

Contract Cleaning Industry Long Service Leave Committee

The Contract Cleaning Industry Long Service Leave Committee (CCI Committee) is constituted under the CCI Act. It is an advisory and appellate body, consisting of eight part-time members appointed by the Minister and chaired by the CEO or delegate. The CCI Committee is constituted under section 9 of the CCI Act and is empowered to determine appeals under sections 77-84 of the CCI Act.

The Committee decides appeals lodged by workers against LSC decisions: to reject an application for registration in the scheme made on behalf of or by workers; cancel registrations of workers in the scheme and apply a limit on the minimum and maximum rates of pay used to claim (where applicable).

It also decides appeals lodged by employers against LSC decisions to: reject an application for registration in the scheme by an employer; cancel registration of employers in the scheme; refuse or reject an application to register a worker; refuse to grant an exemption or revocation of an exemption from lodging a return; and refuse to grant an extension of time to pay a levy.

Apart from its statutory functions, the CCI Committee also acts as 'Customer Council' in relation to customer service standards and helps ensure that the quality and effectiveness of services meet customers' needs.

This year the CCI Committee met on three occasions, via a secure web-based platform, providing support and advice to LSC regarding issues such as:

- Proposed legislative amendments for coverage of work undertaken on Commonwealth places
- Project Phoenix and the opportunity to participate in demonstrations
- Outreach programs to workers and employers.

Appeals

Sections 77-84 of the CCI Act empowers the CCI Committee to determine appeals lodged by workers and employers in relation to certain decisions. Appeals are considered and determined on the basis of documented evidence submitted by the parties involved.

There were no appeals lodged during 2023-24.

The scheduled bulk cancellation of inactive worker registrations did not proceed in 2023-24 which could have resulted in appeals lodged by workers.

Committees

CCI Committee Meetings July 2023 – June 2024

CCI Committee Members	Attendance
Christine Gowland (BBus – Accounting) Director – Registry and Regulatory Schemes (Fair Trading Operations) DCS Chairperson	3 out of 3
Georgia Potter-Butler (LLB/BA Barrister and Solicitor NZ) National Coordinator – Property Services, United Workers Union Nominated by Unions NSW	1 out of 1
Ravindra Naidoo (BA (Hons) Economics, CPA) Financial Controller – Quad Services Nominated by the Building Service Contractors Association of Australia (BSCAA)	2 out of 3
Alex Morales (BA Communications) Lead Organiser – United Workers Union Nominated by United Workers Union	3 out of 3
Mel Gatfield (BA Industrial Relations) National Director – Food and Beverages NSW Secretary United Workers Union Nominated by United Workers Union	2 out of 3
Natasha Flores (BA (Hons), LLB, MLLR, DipEd) Industrial Officer Nominated by Unions NSW	3 out of 3
Charlie Vasilas Group Executive Director – Ezko Property Services (AUST) Pty Ltd Directly appointed by the Minister	3 out of 3
Fatmata Bangura Director – Sylla Cleaning Services Directly appointed by the Minister	3 out of 3
Denis Boulais (BSc (UTS), MAppSc (UNSW), MBA (UNE), PhD (UNSW), PhD (UTS), JP) National Risk and HR Manager – Broadlex Cleaning and Property Services Directly appointed by the Minister	3 out of 3

Table 6: CCI Committee members and meetings

Funds granted to non-government community organisations

There were no grants made to non-government community organisations in the 2023-24 financial year.

Major works

There were no major works in progress in the 2023-24 financial year.

Implementation of Price Determinations

There were no applicable IPART determinations in the 2023-24 financial year.

Major assets

There were no major asset acquisitions or disposals in the 2023-24 financial year.

Land disposal

LSC does not own real estate property nor was any real estate property disposed of during the financial year.

Research and development

No research or development programs were undertaken in the 2023-24 financial year.

Public interest disclosures

There were no Public Interest Disclosures made to LSC during this financial year.

4. Management and accountability

Employment statistics

Non-executive staff by classification and grade	2021		2022		2023		2024	
Grade	Actual[1]	FTE[2]	Actual[1]	FTE[2]	Actual[1]	FTE[2]	Actual[1]	FTE[2]
Clerk Grade 1 – 2	0	0.0	0	0.0	0	0.0	0	0.0
Clerk Grade 3 – 4	11	9.5	8	7.5	9	9.0	18	17.9
Clerk Grade 5 – 6	27	24.8	32	29.0	53	50.0	58	52.4
Clerk Grade 7 – 8	10	9.4	17	15.7	18	17.4	23	22.3
Clerk Grade 9 – 10	10	9.7	11	11.0	10	10.0	11	11.0
Clerk Grade 11 – 12	2	2.0	4	4.0	4	4.0	4	4.0

Notes:

1. Actual staff numbers
2. Full-time equivalent (FTE)

Table 7: Employment statistics

Leadership

Remuneration of senior executives

In June 2024, LSC had 108.6 full-time equivalent (FTE) employees. This equates to a headcount of 115.

Senior Executive Band	2022[1,2,3]		2023[1,2,3]		2024[2,3]	
	Female	Male	Female	Male	Female	Male
Band 4 (Secretary)	-	-	-	-	-	-
Band 3 (Deputy Secretary)	-	-	-	-	-	-
Band 2 (Executive Director)	-	-	-	-	-	-
Band 1 Senior Officer (Director)	1	0	1	0	1	0
Total	**1**		**1**		**1**	

Senior Executive Band – Average Remuneration	2022[4,5]	2023[4]	2024[4]
Band 4 (Secretary)	N/A	N/A	N/A
Band 3 (Deputy Secretary)	N/A	N/A	N/A
Band 2 (Executive Director)	N/A	N/A	N/A
Band 1 Senior Officer (Director)	$234,791	$239,487	$239,487

Employee related costs	2022	2023	2024[6]
Executive	$195,000	$182,000	$174,000
Non-Executive	$7,287,000	$9,704,000	$13,205,000
Total	**$7,482,000**	**$9,886,000**	**$13,379,000**
Ratio Senior Executive	2.68%	1.84%	1.30%

Notes:

1. Senior Executive statistics exclude casuals, contractor/agency staff, statutory appointments and staff on secondment to other agencies.
2. Statistics are based on Workforce Profile Census data as at 23 June 2022, 22 June 2023 and 20 June 2024.
3. All employees reported in 2022, 2023 and 2024 are appointed under the Government Sector Employment Act 2013. Salary band based on current assignment including those on a temporary above level assignment for more than two months.
4. Salary ranges effective at the Workforce Profile census dates of 23 June 2022, 22 June 2023 and 20 June 2024.
5. There were no exceptional movements in wages, salaries or allowances in 2024.
6. There were no exceptional movements in wages, salaries or allowances in 2024.

Table 8: Remuneration of senior executives/employee related costs

Requirements arising from employment arrangements

Employment relations, policies and practices

LSC staff are employees of DCS and all human resource and payroll services, and industrial relations policies and practices, are provided and managed by DCS.

Refer to the DCS Annual Report 2023-24 for information on the personnel policies and industrial relations policies and practices.

Consultants

Consultant	Product description	Amount (excl. GST) $
Consultants costing less than $50,000		
There were no engagements of consultants costing less than $50,000.		
Consultants costing $50,000 or more		
Finance/Accounting		
Professional Financial Solutions (PFS)	Actuarial reports and advice	89,381
Total expenditure on consultants		**89,381**

Table 9: Consultants

Overseas travel

Officers made no overseas visits during the 2023-24 financial year.

Legislation administered

LSC administers Acts and Regulations on behalf of the Minister for Industrial Relations. The following Acts and Regulations constitute the primary legislation which governs LSC's core business:

- Building and Construction Industry Long Service Payments Act 1986 – No 19;
- Building and Construction Industry Long Service Payments Regulation 2022;
- Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010 – No 122;
- Contract Cleaning Industry (Portable Long Service Leave Scheme) Regulation 2022; and
- Long Service Corporation Act 2010 – No 123.

LSC will also administer the new Community Services Sector (Portable Long Service Leave) Act 2024 once it commences on proclamation.

Legislative changes

There were only minor changes to the Building and Construction Industry Long Service Payments Act 1986 and the Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010 that have yet commenced. There were no changes to the Long Service Corporation Act 2010.

Community Services Sector (Portable Long Service Leave) Act 2024

The new Act received royal assent on 20 June 2024. Once it commences on proclamation, it will establish a new portable long service leave scheme for the community services sector. The new scheme is a first step to deliver on the NSW Government's election commitment to expand portable long service leave entitlements.

The new scheme will build on the success of the two existing schemes for building and construction and contract cleaning, including a new sector committee and dedicated statutory purpose fund.

Industrial Relations Amendment Act 2023

The Act received royal assent on 30 November 2023. Schedule 2 of the Act makes minor amendments to the building and construction and contract cleaning schemes to give the reformed Industrial Court jurisdiction over matters that were transferred to other courts when the Industrial Court was abolished in 2016.

Significant judicial decisions

There were no significant judicial decisions affecting the agency or users of its services in the 2023-24 financial year.

Government Information (Public Access) Act 2009 reporting

LSC is considered part of DCS for the purposes of the Government Information (Public Access) Act 2009 (GIPA Act). Applications made under the GIPA Act involving LSC are centrally coordinated within DCS. Statistical information about access applications received in relation to LSC is reported in the DCS Annual Report 2023-24.

Compliance with the Privacy and Personal Information Protection Act 1998

LSC respects the privacy of members of the public who use our services and of our employees. In accordance with section 33 of the Privacy and Personal Information Protection Act 1998 (PPIP Act), LSC has a Privacy Management Plan in place with a copy provided to the Privacy Commissioner. No applications have been received for internal review of conduct under Part 5 of the PPIP Act. A statement of data collected, data source, purposes and authority for collection of personal data was also supplied to the Privacy Commissioner.

Induction of new staff includes training on policies and guidelines for protecting personal information and privacy, particularly for frontline staff. Online training modules on privacy requirements are available and ongoing training is provided to staff each year to ensure the protection of our customer's information.

LSC's formal complaint mechanism encompasses situations where customers have grievances in respect to requirements of the PPIP Act.

Key internal and external risks

Audit and Risk Committee

LSC has its own independent Audit and Risk Committee (ARC) comprising of a Chair and two members. The committee meets regularly to monitor identified risks and oversee audits and reviews of LSC activities.

ARC Committee Members	Attendance
Malcolm Freame BEc, FCA, CISA, GAICD	5 out of 5
Peter Mayers FCA (Eng & Wales) FCA (Aust & NZ) MAICD	5 out of 5
Shirley Liew FAICD, FCPA, FTIA, MIIA, Aff (FINSIA), CGEIT (ISACA)	5 out of 5

Table 10: ARC Committee members and meetings

Business Continuity Management (BCM) Planning

LSC's BCM is reviewed annually and any necessary updates are reflected in the published plan. The most recent review and update of the LSC BCM was November 2023.

LSC relies heavily on DCS ICT infrastructure and is included in notifications of system outage incidents, triaging of incidents and acknowledgement of rectification as part of the Department's business continuity management. LSC staff devices are also managed by the Department, ensuring the level of security and integrity is maintained.

LSC is included in DCS business continuity testing exercises. The exercises include a debrief, aimed at finding areas to improve the reliability of the documented processes.

Compliance, Risk, Assurance Management System

The LSC ARC is presented with an update on risks, ratings and mitigations as well as emerging risks quarterly, in line with scheduled meetings.

LSC risks are recorded and reporting via the Departmentally-supported CURA solution, RiskWise. The consistent use of RiskWise across DCS facilitates an escalation of high and extreme risks to the DCS Executive without the need to report separately to multiple forums.

Risks associated with significant IT projects are managed through the DCS Project Management Office for regular Executive review.

Risk assessment

Strategic and operational risks are reviewed bimonthly by the LSC Executive, ensuring the risks reported are current, adequately identified and ratings relevant.

The annual internal audit plan targets areas of significant risk on a rotational basis. An internal audit review provides an independent review of the agency's assessment of specific risks and current controls, and allows for a continuous improvement path for controls and mitigation strategies.

All major IT projects undertaken by LSC undergo specific monthly risk reviews and assessments, with updates provided to the relevant steering committee and the ARC. Representatives of the major IT projects are invited to the ARC meetings to provide regular updates, including reporting on any changes to risk ratings and the progress of any mitigation strategies and actions.

Insurance activities

LSC has insurance in place to cover all its assets and major risks. Insurance coverage includes workers' compensation, building contents (including office equipment), motor vehicles and public liability. This insurance is held with the NSW Government's self-insurance scheme, the Treasury Managed Fund (TMF).

The TMF Premium Incentive Scheme encourages effective risk management. Agencies that manage risk well receive lower premiums, while those with poor risk management are penalised.

LSC's initial insurance premiums for 2023-24 totalled $89,432 (2022-23: $53,054).

Internal audit and risk management attestation

Internal Audit and Risk Management Attestation Statement for the 2023-2024 Financial Year for Long Service Corporation

I, Graeme Head, Secretary of the Department of Customer Service (Secretary), am of the opinion that the Long Service Corporation has internal audit and risk management processes in operation that are compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements		For each requirement, please specify whether compliant or non-compliant
Risk Management Framework		
1.1	The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	Compliant
1.2	The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	Compliant
Internal Audit Function		
2.1	The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	Compliant
2.2	The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	Compliant
2.3	The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	Compliant
Audit and Risk Committee		
3.1	The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	Compliant
3.2	The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	Compliant

Internal audit and risk management attestation

Membership

For the 2023-24 reporting period, the independent chair and members of the Audit and Risk Committee were:

Role	Name	Start Term Date	Finish Term Date
Independent Chair	Malcolm Freame	21 July 2021	20 July 2025
Independent Member	Peter Mayers	1 January 2021	31 December 2023*
Independent Member	Shirley Liew	21 July 2021	20 July 2024

* Extended term of appointment from 1 January 2024 to 30 December 2026

Graeme Head
Secretary
Department of Customer Service

Date: 26/09/24

<u>Agency Contact Officer</u>
Tim McGregor
Director Governance, DCS GRA Governance
tim.mcgregor@customerservice.nsw.gov.au

Cyber security policy attestation

Long Service Corporation

Cyber Security Annual Attestation Statement – FY2023/2024

I, Natasha Mann, attest that Long Service Corporation has managed cyber security risks in a manner consistent with the mandatory requirements set out in the NSW Government Cyber Security Policy (NSW CSP). The evidence presented to me as a part of this attestation demonstrates Fair Trading and Regulatory Services' continued commitment to safeguarding sensitive information and ensuring that public trust in government is maintained.

Long Service Corporation has identified several cyber security risks, that are currently outside of the defined risk appetite, and are driven by both the increasingly complex technology environment and persistent cyber threat. To treat these risks, a comprehensive and considered cyber security strategy has been developed that will improve cyber security controls and enhance operational resilience to ensure the Long Service Corporation is prepared and ready to respond to all cyber attacks.

Long Service Corporation acknowledges that not all the mandatory requirements defined in the NSW Cyber Security Policy have been met, and that through the cyber security strategy and other uplift initiatives these key requirements will be achieved. Until this time, Long Service Corporation acknowledges the residual risk that exists across the entity in scope of this attestation.

Sincerely,

Date: 23/09/24

Natasha Mann
Deputy Secretary & NSW Fair Trading Commissioner

5. Sustainability

Modern Slavery Act 2018 (NSW) reporting

LSC is an agency of the DCS. Further information about how DCS complies with the Modern Slavery Act 2018 can be found in their annual report.

Work Health and Safety

LSC provides a range of initiatives to promote positive and sustainable health and lifestyle practices for employees including:

- Free flu vaccinations.
- Employee Assistance Program (EAP) for all staff and their immediate family.
- Information to staff on the best settings for their workstation, monitors and chairs.
- Sit/stand-up desks with adjustable monitor arms at office workstations.
- Fitness Passport for staff to use local gyms and swimming pools.
- Employee resilience sessions.
- Generous flexible work practices.
- Frequent monitoring of the COVID-19 pandemic and updating staff through our Crisis Control advisor.
- Supporting and equipping staff to work from home in a safe manner.
- Mandatory online training including ergonomics, managing fatigue and respectful behaviours.
- Replacing dual monitor screens with larger curved screens to improve visibility and reduce eye fatigue.

Worker compensation

Returning injured employees to work as soon as possible continues to be a key focus. We adopt a holistic approach to recovery in line with the best practice injury management approach.

LSC had nil prosecutions under the Work Health and Safety Act 2011 during the 2023-24 financial year.

Worker compensation claims	2024
Number of claims	4
Average Net Incurred Cost	$81,425.41
Net Incurred Cost	$325,701.63
Total Amount Paid	**$42,494.37**
Latest Estimate	**$283,207.26**

Table 11: Worker compensation claims

Diversity and inclusion at LSC

LSC is committed to upholding the principles of cultural diversity and the equal participation of all communities in a cohesive and multicultural NSW.

The organisation provides services to a culturally diverse community and accommodates clients by offering interpreter and translation services on our website, letterheads and Helpline.

LSC's offices are designed to ensure easy access for people with a disability, have designated quiet areas for meditation or religious practices as well as family room.

LSC is an agency of the DCS. In 2023-24, LSC in partnership with DCS People and Culture, supported its teams and individual staff with a multi-faceted, DCS-wide approach to diversity and inclusion, in line with the former Premier's Priorities and underpinned by the Public Service values of accountability, integrity, service and trust.

Key inclusion commitments were embedded through the DCS Care and Belonging Strategy 2022-25, providing a framework to further elevate the DCS culture of care for the benefit of our customers across NSW.

The strategy's six focus areas emphasise the critical cultural pillars upon which to build a culture of care and belonging at DCS. Each focus area has detailed commitments for delivery over three 'time horizons' up to the end of 2025, setting us up for a successful implementation.

Further information about DCS' workforce diversity achievements during 2023-24 and key workforce diversity strategies proposed for 2024-25 can be found in the DCS annual report.

Diversity and inclusion statistics

Trends in the representation of workforce diversity groups*				
Workforce diversity group	Benchmark	2022	2023	2024
Women[1]	50%	60.3%	66.3%	70.4%
Aboriginal and/or Torres Strait Islander people[2]	3.3%	1.4%	0.0%	0.0%
People whose first language spoken as a child was not English[3]	23.2%	4.4%	4.5%	5.6%
People with a disability[4]	5.6%	7.4%	5.7%	3.7%
People with a disability requiring work-related adjustment[4]	N/A	4.5%	1.1%	0.9%

*Disclosure is optional.

Notes:

1. The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.
2. The NSW Public Sector Aboriginal Employment Strategy 2019-2025 takes a career pathway approach in that it sets an ambitious target of 3% Aboriginal employment at each non-executive grade of the public sector by 2025.
3. A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for people whose first language spoken as a child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW population born in a country where English is not the predominant language.
4. In December 2017, the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. More information can be found in: Disability employment | Community and Justice (nsw.gov.au). The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.

Trends in the distribution index for workforce diversity groups*				
Workforce diversity group	Benchmark[1, 2]	2022	2023	2024
Women	100	100	98	98
Aboriginal and/or Torres Strait Islander people	100	N/A	N/A	N/A
People whose first language spoken as a child was not English	100	N/A	N/A	N/A
People with a disability	100	N/A	N/A	N/A
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A

*Disclosure is optional.

Notes:

1. A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.
2. The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20.

Table 12: Diversity and inclusion statistics

Disability inclusion action plans

LSC adheres to the principles of the Disability Inclusion Act 2014 and caters to the needs of its staff who have disabilities which impact upon their work life. LSC accommodates these staff members by providing specialised equipment, work from home opportunities, reduced work hours, easy access to the workplace and access to support services within the community.

LSC also recognises its customers with disabilities. By adhering to the guidelines for accessible web design, we acknowledge the diversity of communication methods, available technologies and abilities of internet users in the community.

There is also provision within the legislation which enables workers who have become incapacitated and forced to leave the building and construction or contract cleaning industries to lodge claims for service.

LSC strives to maintain conformance to the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG), acknowledging the diversity of communication methods, available technologies and abilities of internet users within the community.

LSC is an agency of DCS. LSC is committed to the DCS Disability Inclusion Action Plan 2020-25 (DIAP) which is mapped to the NSW Government's Disability Inclusion Plan.

Our DIAP uses 10 key areas of access and inclusion to ensure that DCS considers and includes all our customers, people, and suppliers with disability. As well as publishing the DIAP, DCS provides public summaries in Auslan and Easy English. The plan is governed by the Disability Inclusion Steering Committee with representatives from across DCS and supported by the AbilityDCS Employee Resource Group (ERG).

DCS recognises the importance of intersectionality and the DIAP and Aboriginal Employment Strategy have actions for Aboriginal people with disability. The DIAP has actions for people with disability of CALD and other diversity backgrounds.

Further information about DCS' progress during 2023-24 in implementing the DIAP can be found in the DCS annual report.

6. Financial performance

INDEPENDENT AUDITOR'S REPORT

Long Service Corporation

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Long Service Corporation (the Corporation), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, and notes to the financial statements, including a Summary of Material Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the Government Sector Finance Regulation 2024 (GSF Regulation) and the Treasurer's Directions
- presents fairly the Corporation's financial position, financial performance and cash flows.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Corporation in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

Secretary’s Responsibilities for the Financial Statements

The Secretary of the Department of Customer Service is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Secretary's responsibility also includes such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the Corporation’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor’s Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor’s report.

The scope of my audit does not include, nor provide assurance:

- that the Corporation carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Weini Liao
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

23 October 2024
SYDNEY

Statement by the Secretary

LONG SERVICE CORPORATION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024
STATEMENT BY THE ACCOUNTABLE AUTHORITY

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* (the Act), I state these financial statements

- have been prepared in accordance with Australian Accounting Standards and the applicable requirements of the Act, *the Government Sector Finance Regulation 2024* and the Treasurer's directions, and
- present fairly the Long Service Corporation's financial position, financial performance and cash flows.

Graeme Head
Secretary, Department of Customer Service
Date: 23/10/2024

Financial statements

LONG SERVICE CORPORATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Budget 2024 $'000	Actual 2024 $'000	Restated Actual 2023 * $'000
Continuing operations				
Expenses excluding losses				
Personnel services	2(a)	13,121	13,379	9,886
Operating expenses	2(b)	13,235	29,616	15,154
Depreciation and amortisation	2(c)	1,186	294	293
Finance costs	2(d)	65,783	69,944	61,210
Scheme liability expenses	12	171,964	194,958	154,833
Total Expenses excluding losses		**265,289**	**308,191**	**241,376**
Revenue				
Investment revenue	3(a)	114,701	139,967	137,207
Long service levy income	3(b)	150,700	145,904	185,019
Other revenue	3(c)	5	10	15
Total Revenue		**265,406**	**285,881**	**322,241**
Operating Result		**118**	**(22,310)**	**80,865**
Gains / (losses) on disposal	4	-	(626)	1
		-	**(626)**	**1**
NET RESULT		**118**	**(22,936)**	**80,866**
Other comprehensive income		-	-	-
Total other comprehensive income / (loss)		**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME / (LOSS)		**118**	**(22,936)**	**80,866**

The accompanying notes form part of these financial statements.
* The comparative periods are prepared based on restated amounts. Refer to Note 1(g) for further details

LONG SERVICE CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	Budget 2024 $'000	Actual 2024 $'000	Restated Actual 2023* $'000	Restated Actual 1 July 2022* $'000
ASSETS					
Current Assets					
Cash and cash equivalents	5	9,825	12,288	25,043	25,646
Receivables	6	44,056	21,631	25,158	24,424
Total Current Assets		**53,881**	**33,919**	**50,201**	**50,070**
Non-Current Assets					
Financial assets at fair value	7	2,333,901	2,371,754	2,212,601	2,040,965
Receivables	6	-	11,183	18,899	16,422
Plant and equipment	8	261	1	4	8
Right-of-use assets	8	-	32	-	-
Intangible assets	9	7,287	-	8,470	5,170
Total Non-Current Assets		**2,341,450**	**2,382,970**	**2,239,974**	**2,062,565**
Total Assets		**2,395,331**	**2,416,889**	**2,290,175**	**2,112,635**
LIABILITIES					
Current Liabilities					
Payables	10	3,671	4,116	3,671	1,268
Lease Liabilities	11	-	8	-	-
Provisions	12	1,463,908	1,624,171	1,439,278	1,401,895
Total Current Liabilities		**1,467,579**	**1,628,295**	**1,442,949**	**1,403,163**
Non-Current Liabilities					
Lease Liabilities	11	-	25	-	-
Provisions	12	285,687	273,613	309,333	252,446
Total Non-Current Liabilities		**285,687**	**273,638**	**309,333**	**252,446**
Total Liabilities		**1,753,266**	**1,901,933**	**1,752,282**	**1,655,609**
Net Assets		**642,065**	**514,956**	**537,893**	**457,026**
EQUITY					
Accumulated funds		642,065	514,956	537,893	457,026
Total Equity		**642,065**	**514,956**	**537,893**	**457,026**

The accompanying notes form part of these financial statements.
*The comparative periods are prepared based on restated amounts. Refer to Note 1(g) for further details

LONG SERVICE CORPORATION STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024		
	Notes	Accumulated Funds $'000
Balance at 1 July 2023 as originally presented		**641,948**
Correction of prior period errors*		(104,055)
Restated balance at 1 July 2023		**537,893**
Net Result for the financial year		(22,936)
Balance at 30 June 2024		**514,956**
Balance at 1 July 2022 as originally presented		**506,768**
Correction of prior period errors*		(49,742)
Restated balance at 1 July 2022		**457,026**
Restated Net Result for the financial year*		80,866
Restated balance at 30 June 2023*		**537,893**

The accompanying notes form part of these financial statements.
*The comparative periods are prepared based on restated amounts. Refer to Note 1(g) for further details

LONG SERVICE CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Budget 2024 $'000	Actual 2024 $'000	Actual 2023 $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel Services		(13,121)	(13,350)	(9,815)
Long Service Scheme claims paid		(132,708)	(115,843)	(121,642)
Information and Communications Technology expenses		(3,267)	(12,756)	(6,673)
Other		(11,038)	(7,547)	(5,523)
Total Payments		**(160,134)**	**(149,496)**	**(143,653)**
Receipts				
Long service levy income		150,700	155,728	181,227
Interest received		401	814	571
Other		1,074	199	(100)
Total Receipts		**152,175**	**156,741**	**181,698**
NET CASH FLOWS FROM OPERATING ACTIVITIES	16	**(7,958)**	**7,245**	**38,045**
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of financial assets		-	5,000	11,000
Purchase of financial assets		-	(25,000)	(46,000)
Purchase of plant and equipment		(260)	-	-
Purchase of intangible assets		(7,000)	-	(3,648)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(7,260)**	**(20,000)**	**(38,648)**
NET (DECREASE) / INCREASE IN CASH		**(15,218)**	**(12,755)**	**(603)**
Opening cash and cash equivalents		25,043	25,043	25,646
CLOSING CASH AND CASH EQUIVALENTS	5	**9,825**	**12,288**	**25,043**

The accompanying notes form part of these financial statements.

LONG SERVICE CORPORATION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Reporting Entity

The Long Service Corporation (Corporation) is a NSW government entity, within the Department of Customer Service (DCS) portfolio, and is controlled by the State of New South Wales, which is the ultimate parent. The Corporation is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The Corporation has its principal office at 32 Mann Street, Gosford, and administers the *Building and Construction Industry Long Service Payments Act 1986* and *Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010*. These Acts provide portable long service payments schemes to building and construction workers and contract cleaning workers in NSW.

These financial statements for the year ended 30 June 2024 have been authorised for issue by the Secretary, Department of Customer Service on xx October 2024.

(b) Basis of Preparation

The Corporation's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of the *Government Sector Finance Act 2018* (GSF Act);
- the requirements of the Government Sector Finance Regulation 2024 and
- Treasurer's Directions issued under the GSF Act.

The Corporation accounts for its investment in its 100% owned vehicle, LSCIFT, by initially measuring the investment at fair value and subsequently classifying the investment as measured at fair value on the basis of the Corporation's business model for managing the investment. Gains or losses are recognised in profit or loss. While the Corporation holds 100% of the units in LSCIFT, under *AASB 10 'Consolidated Financial Statements'*, the Corporation has a NSW Treasury exemption from the requirement in TPG 24-06 *'Mandates of options and major policy decisions under Australian Accounting Standards'* to prepare consolidated financial statements.

Plant and equipment is measured at depreciated historical cost as a proxy for fair value. Certain financial assets are measured using amortised cost. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the Corporation's presentation and functional currency.

(c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Going concern

The financial statements are prepared on a going concern basis as the Corporation believes that it will be able to pay its debts as and when they are due and payable.

The Corporation has net assets of $515 million (2023: $537.9m), but a deficiency in working capital of $1.6 billion (2023: $1.4b), being the difference between current assets of $33.9 million (2023: $50.2m) and current liabilities of $1.63 billion (2023: $1.4b). The working capital deficiency arises as the long service leave liabilities for workers with a vested benefit at the valuation date are classified as current while the Corporation's investments are classified as non-current as the Corporation does not envisage selling the investments in the next 12 months.

The Actuary has determined that based on the established pattern of claims the expected timing of settlement of claims will not occur at the time of vesting but as detailed in the table below:

	2024		
	$'000	$'000	$'000
Expected timing of settlement (Note 11)	Building Industry	Cleaning Industry	Total
Not later than one year	124,978	7,975	**132,953**
Later than one year and not later than five years	517,531	31,014	**548,545**
Later than five years	1,172,143	46,604	**1,218,747**
Total	**1,814,652**	**85,592**	**1,900,244**

In the event that the vested benefits which will be settled within 12 months is greater than $33.9 million, then the Corporation has access to the levies receivable in the following year as well as the investments managed by TCorp as disclosed in note 7. TCorp has confirmed that investments could be liquidated as per below:

Liquidity availability expectations	Normal market environments		Stressed market environments	
	%	$'000	%	$'000
Funds available within 30 days	80.0%	1,897,403	70.0%	1,660,228
Funds available within 6 months	90.0%	2,134,579	75.0%	1,778,816
Funds available within 1 year	95.0%	2,253,166	80.0%	1,897,403

(e) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the Corporation's previous financial year for all amounts reported in the financial statements.

(f) Changes in accounting policies, including new or revised Australian Accounting Standards

(i) Effective for the first time in the 2024 financial year
The accounting policies applied in 2024 financial year are consistent with those of the previous financial year. During the year, the Corporation adopted all standards, amendments and interpretations which were mandatorily effective for the first time for the year ended 30 June 2024.

The Corporation adopted 'AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates' from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies.

(ii) Issued but Not Yet Effective
NSW public sector entities are not permitted to early adopt new Australian Accounting Standards unless Treasury determines otherwise. The Corporation has assessed the potential impact of the new standards and interpretations issued but not yet effective and has determined they are unlikely to have a material impact on the Corporation's financial statements.

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* – Application required from first annual reporting period beginning on or after 1 January 2024
- *AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* – Application required from first annual reporting period beginning on or after 1 January 2024
- *AASB 18 Presentation and Disclosure of Financial Statements* - (AASB 18) was issued on 14 June 2024 and will replace AASB 101 Presentation of Financial Statements. AASB 18 will impact the presentation and disclosure of the Corporation's financial statements. The key presentation and disclosure requirements established by AASB 18 that will impact the Corporation's financial reporting requirements are to classify income and expenses into operating, investing and financing categories in the statement of comprehensive income as well as enhanced requirements for grouping of information.

(g) Correction of prior period errors

The prior period errors that have been corrected in the financial statements are as follows:

Scheme Valuation error:

During the financial year the Actuary identified that the Building & Construction Industry scheme valuation at 30 June 2023 was incorrect as service credits for the incurred but not reported service (IBNR) were incorrectly applied. The Actuary recalculated the provision for scheme liability and the recalculation resulted in an increase to the carrying amount at 30 June 2023 of $51.5m.

This resulted in an understatement of scheme expenses and scheme provision in the prior year. The error has been corrected during the year, with retrospective adjustments made in the prior period.

Administration Expense Allowance:

During the financial year it was identified that the scheme provision should include an allowance for the expenditure required to process the future claims. The Actuary calculated the expense allowance as 3.1% of the provision for scheme liability and the recalculation resulted in an increase to the carrying amount at 30 June 2022 of $49.7m and an increase to the carrying amount at 30 June 2023 of $52.6m.

This resulted in an understatement of scheme expenses and scheme provision in the prior years. The error has been corrected during the year, with retrospective adjustments made in the prior periods.

	30 June 2023 $'000	Increase/ (decrease) from correction of prior period errors $'000	30 June 2023 (Restated) $'000	1 July 2022 $'000	Increase/ (decrease) from correction of prior period errors $'000	Restated 1 July 2022 $'000
Statement of Financial Position						
Provisions	1,376,018	63,260	1,439,278	1,359,523	42,372	1,401,895
Total Current Liabilities	1,379,689	63,260	1,442,949	1,360,791	42,372	1,403,163
Provisions	268,538	40,795	309,333	245,076	7,370	252,446
Total non-current liabilities	268,538	40,795	309,333	245,076	7,370	252,446
Total Liabilities	1,648,227	104,055	1,752,282	1,605,867	49,742	1,655,609
Net Assets	641,948	(104,055)	537,893	506,768	(49,742)	457,026
Accumulated Funds	641,948	(104,055)	537,893	506,768	(49,742)	457,026
Total Equity	641,948	(104,055)	537,893	506,768	(49,742)	457,026

Statement of Comprehensive Income	30 June 2023 $'000	Increase/ (decrease) from correction of prior period errors $'000	30 June 2023 (Restated) $'000
Finance Costs	59,370	1,840	61,210
Scheme Liability expenses	102,360	52,473	154,833
Total expenses excluding losses	187,063	54,313	241,376
Operating Result	135,178	(54,313)	80,865
NET RESULT	135,179	(54,313)	80,866
Total other comprehensive income (loss)	-	-	-
Total comprehensive income/ (loss)	135,179	(54,313)	80,866

2. EXPENSES EXCLUDING LOSSES

(a) Personnel Services Expenses

The Corporation received the following personnel services from the DCS.

	2024 $'000	2023 $'000
Salaries and wages (including annual leave)	11,496	8,541
Superannuation	1,140	810
Long service leave	9	(6)
Workers' compensation insurance	48	26
Payroll tax and fringe benefits tax	686	515
	13,379	**9,886**

(b) Operating Expenses

	2024 $'000	2023 $'000
Accommodation	469	459
Administration service charge	2,189	1,903
Auditor's remuneration		
- audit of the financial statements	136	103
Doubtful debt expense	1,202	703
Information and Communications Technology expenses	20,310	6,673
Consultants	89	80
Contractors	1,139	1,288
Fees and charges	3,479	3,151
Other expenses	603	794
	29,616	**15,154**

Recognition and Measurement

The administration service charge is the allocation of the cost of services performed by the DCS on behalf of the Corporation. DCS provided corporate services to LSC, including people & culture, finance, legal, procurement, internal audit, governance, workplace and IT services. The cost of these services is determined and calculated within the DCS Corporate Operating Model (COM). The COM allocates the costs of direct Full Time Equivalent (FTE) resources provided for specific services. The COM also allocates a share of indirect costs based on LSC FTE as a percentage of DCS FTE.

Fees and charges includes the cost of call centre functions provided by Service NSW (SNSW). SNSW cost allocation is based on the number of SNSW FTE needed to service the Corporations call centre.

Information and Communications Technology expenses includes $19.6million (2023: $5.7m) for the development cost of Project Phoenix. Of the $19.6 million, $7.6 million was a correction of costs that were included in the opening balance of intangible asset work in progress that did not meet the recognition criteria for capitalisation. As the amount is not considered material, the error was corrected in the 2023-24 financial year and recognised in computer expenses.

(c) Depreciation and Amortisation Expense

	2024 $'000	2023 $'000
Depreciation		
- Computer equipment	**4**	**4**
- Right-of -use asset	**1**	**-**
Amortisation		
- Computer software	**289**	**289**
	294	**293**

Refer to Notes 8 and 9 for recognition and measurement policies on depreciation and amortisation.

(d) Finance Costs

	2024 $'000	Restated 2023 $'000*
Unwinding of discount rate	**69,944**	**61,210**

*The comparative periods are prepared based on the restated amounts. Refer to Note 1(g) for further details

Recognition and Measurement
Scheme liabilities are discounted using appropriate risk-free discount rates. The increase in the scheme liabilities resulting from the passage of time is expensed as incurred and is disclosed as a finance cost in the Statement of Comprehensive Income.

Refer Note 12(a)(i) and Note 12(b)(i) for details on changes to the discount rate used for the 2024 and 2023 financial years.

3. REVENUE

(a) Investment Revenue

	2024 $'000	2023 $'000
Net gains / (losses) in Long Service Corporation Investment Fund Trust measured at fair value through profit or loss	108,758	81,637
Distribution Income from Long Service Corporation Investment Fund Trust	30,395	54,999
Interest income	814	571
	139,967	**137,207**

Recognition and Measurement
Gains or losses on the Long Service Corporation Investment Fund Trust (LSCIFT) represent movements in the unit price and are presented in investment revenue in the period in which the movement arises. Unit prices are calculated and published daily. The LSCIFT achieved a return of 6.24% for the 2024 financial year compared to a return of 6.64% in the 2023 financial year.

(b) Long Service Levy Income

	2024 $'000	2023 $'000
Long service levy income	148,438	187,504
Long service levy refunds	(2,534)	(2,485)
	145,904	**185,019**

Recognition and Measurement

Levy revenue is assessed as non-contractual income arising from statutory requirements under *AASB 1058 Income of Not-for Profit Entities.*

In relation to the Building and Construction Industry (BCI), a levy is applied at the rate of 0.25% (2023: 0.35% from 1 July 2022 and 0.25% from 1 January 2023) on the value of building and construction contracts of $250,000 or above (2023: $25,000 from 1 July 2022 and $250,000 from 1 January 2023). Section 36 of the *Building and Construction Industry Long service Payments Act 1986*, states that the long service levy in respect of the erection of a building is due and payable before work is commenced on the erection of the building. The payment of the levy is a prerequisite for the issuing of a Construction Certificate (CC) or Complying Development Certificate (CDC). The Corporation has taken the view that work commences within a reasonably short timeframe after the issuing of a CC or CDC and therefore the levy is recognised when the monies are received or receivable by the Corporation or the Local Government Councils acting in their capacity as agents. Full or partial levy refunds may be payable where; the work did not commence and the building approval lapsed or was cancelled or the levy payment was duplicated or overpaid or the levy was paid in full but the applicant was entitled to a partial exemption as an owner-builder, church or a non-profit organisation.

In relation to the Contract Cleaning Industry (CCI), a levy is applied at the rate of 1.0% (2023: 1.0%) of the cost of wages paid to workers in that industry. Employers are required to lodge returns on a quarterly basis. Long service levy income is recognised as these returns are lodged with the Corporation on an accruals basis, e.g. income applicable to employer returns received in July for the June quarter are recognised as levy income in June.

(c) Other revenue

	2024 $'000	2023 $'000
Other revenue	10	15

4. GAINS / (LOSSES) ON DISPOSAL

	2024 $'000	2023 $'000
Net gains / (losses) on disposal of assets	(626)	1

5. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2024 $'000	2023 $'000
Cash at bank and on hand	12,288	25,043

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank and cash on hand.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year as shown in the Statement of Cash Flows as follows:

	2024 $'000	2023 $'000
Cash and cash equivalents (as per Statement of Financial Position)	12,288	25,043
Closing cash and cash equivalents (as per Statement of Cash Flows)	12,288	25,043

Refer to Note 17 for details regarding credit risk and market risk arising from financial instruments.

6. CURRENT / NON-CURRENT ASSETS - RECEIVABLE

	2024 $'000	2023 $'000
Current		
Prepayments	33	112
Other	99	300
	132	412
Long service levy income	23,548	25,643
Less: Allowance for expected credit losses *	(2,049)	(897)
	21,499	24,746
Total Current Receivables	**21,631**	**25,158**
Non-Current		
Long service levy income	11,183	18,899
Total Non-Current Receivables	**11,183**	**18,899**
Total Receivables	**32,814**	**44,057**

* Movement in the allowance for expected credit losses

	2024	2023
Long service levy income		
Balance at the beginning of the financial year	(897)	(195)
(Increase) / decrease in allowance recognised in net results	(1,202)	(702)
Amounts written off during the year	50	-
Balance at the end of the financial year	**(2,049)**	**(897)**

Details regarding credit risk of receivables that are neither past due nor impaired, are disclosed in Note 17.

Recognition and Measurement

Section 36 of the *Building and Construction Industry Long service Payments Act 1986*, states that the long service levy in respect of the erection of a building is due and payable before work is commenced on the erection of the building. The payment of the levy is a prerequisite for the issuing of a CC or CDC. The Corporation has taken the view that work commences within a reasonably short timeframe after the issuing of a CC or CDC and therefore the levy is recognised when the monies are received or receivable by the Corporation or the Local Government Councils acting in their capacity as agents. Applicants can apply to pay the levy by instalments where building work will cost over $10 million and will take more than 12 months, or if payment of the full levy is unduly onerous. The long service levy income receivable includes $31.8 million in Building and Construction Industry where the applicant was approved to pay by instalments (2023: $42.4m).

In relation to the Contract Cleaning Industry (CCI), a levy is applied at the rate of 1.0% (2023: 1.0%) of the cost of wages paid to workers in that industry. Employers are required to lodge returns on a quarterly basis. Long service levy income receivable is recognised as these returns are lodged with the Corporation on an accrual basis, e.g. the levy income receivable applicable to employer returns received in July for the June quarter are recognised as levy income receivable in June.

Impairment
The Corporation recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Corporation expects to receive, discounted at the original effective interest rate.

For trade and statutory receivables, the Corporation applies a simplified approach in calculating ECLs. The Corporation recognises a loss allowance based on lifetime ECLs at each reporting date. The Corporation has established a provision matrix based on its historical credit loss experience for trade and statutory receivables.

7. NON-CURRENT ASSETS - FINANCIAL ASSETS AT FAIR VALUE

	2024 $'000	2023 $'000
Non-Current Assets		
Long Service Corporation Investment Fund Trust - LSCIFT	2,371,754	2,212,601

The LSCIFT invests in cash, money market instruments, Australian bonds, unlisted property and infrastructure and Australian and international equities.

Refer to Note 17 for further information regarding fair value measurement, credit risk and market risk arising from financial instruments.

Recognition and Measurement

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification and Measurement
The Corporation's financial assets at fair value are classified, at initial recognition, as subsequently measured at fair value through profit or loss.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in net results.

The Corporation does not hold any financial assets classified at fair value through other comprehensive income.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value under AASB 9.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. The LSCIFT is managed and it's performance is evaluated on a fair value basis and therefore the business model is neither to hold or to collect the contractual cash flows or sell the financial asset. Hence these investments are mandatorily required to be measured at fair value through profit or loss.

Gains / (losses) in the fair value of investments in the LSCIFT are presented in 'investment revenue' in the period in which it arises.

8. NON-CURRENT ASSETS - PLANT AND EQUIPMENT

(a) Plant and Equipment

	Plant and Equipment $'000	Computer Equipment $'000	Motor Vehicles $'000	Total $'000
At 1 July 2022 - fair value				
Gross carrying amount	20	24	75	119
Accumulated depreciation and impairment	(20)	(16)	(75)	(111)
Net carrying amount	**-**	**8**	**-**	**8**
Year ended 30 June 2023				
Net carrying amount at the beginning of the financial year	-	8	-	8
Purchase of assets	-	-	-	-
Depreciation expense	-	(4)	-	(4)
Net carrying amount at the end of the financial year	**-**	**4**	**-**	**4**
At 1 July 2023 – fair value				
Gross carrying amount	20	24	56	100
Accumulated depreciation and impairment	(20)	(20)	(56)	(96)
Net carrying amount	**-**	**4**	**-**	**4**

	Plant and Equipment $'000	Computer Equipment $'000	Motor Vehicles $'000	Total $'000
Year ended 30 June 2024				
Net carrying amount at the beginning of the financial year	-	4	-	4
Purchase of assets	-	-	-	-
Depreciation expense	-	(3)	-	(3)
Net carrying amount at the end of the financial year	**-**	**1**	**-**	**1**
At 30 June 2024 – fair value				
Gross carrying amount	20	24	56	100
Accumulated depreciation and impairment	(20)	(23)	(56)	(99)
Net carrying amount	**-**	**1**	**-**	**1**

Recognition and Measurement

Acquisitions of Plant and Equipment

Plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

Capitalisation Thresholds

Plant and equipment and intangible assets costing $5,000 and above individually (or forming part of a network costing more than $5,000) are capitalised.

Depreciation
Depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Corporation.

All material identifiable components of assets are depreciated separately over their useful lives.

The depreciation rates used for each class of assets in the 2024 financial year are:

Plant and Equipment	
Computer equipment	33%
Motor vehicles	20%
Office equipment	33%

Revaluation of Plant and Equipment
Physical non-current assets are valued in accordance with the '*Valuation of Physical Non-Current Assets at Fair Value'* Policy and Guidelines Paper (TPP 21-09*)* and Treasurer's Direction: *Valuation of Physical Non-Current Assets at Fair Value* (TD21-05). TD21-05 and TPP21-09 adopt fair value in accordance with *AASB 13 Fair Value Measurement and AASB 116 Plant and Equipment*.

All of the Corporation's assets are non-specialised assets with short useful lives and are measured at depreciated historical cost, which for these assets approximates fair value. The Corporation has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

The residual values, useful lives and methods of depreciation of plant and equipment are reviewed at the end of each financial year.

Impairment of Plant and Equipment
As a not-for-profit entity with no cash generating units, impairment under *AASB 136 Impairment of Assets* is unlikely to arise. Since plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material.

The Corporation assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(b) Right-Of-Use Assets

The following table presents right-of-use assets that do not meet the definition of investment property.

	Motor Vehicles $'000
Balance at 1 July 2023	-
Additions	34
Depreciation expense	(1)
Balance at 30 June 2024	**33**

Recognition and Measurement
The Corporation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Corporation recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

The Corporation recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site. The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Motor Vehicles 5 years

9. INTANGIBLE ASSETS

	Software $'000	Work in progress $'000	Total $'000
At 1 July 2022			
Gross carrying amount	3,436	3,966	7,402
Accumulated amortisation and impairment	(2,232)	-	(2,232)
Net carrying amount	**1,204**	**3,966**	**5,170**
Year ended 30 June 2023			
Net carrying amount at the beginning of the financial year	1,204	3,966	5,170
Additions	-	3,589	3,589
Disposal	-	-	-
Amortisation	(289)	-	(289)
Net carrying amount at the end of the financial year	**915**	**7,555**	**8,470**
At 1 July 2023			
Gross carrying amount	3,436	7,555	10,991
Accumulated amortisation and impairment	(2,521)	-	(2,521)
Net carrying amount	**915**	**7,555**	**8,470**
Year ended 30 June 2024			
Net carrying amount at the beginning of the financial year	915	7,555	8,470
Additions	-	-	-
Other movements *	(626)	(7,555)	(8,181)
Amortisation	(289)	-	(289)
Net carrying amount at the end of the financial year	-	-	-
At 30 June 2024			
Gross carrying amount	27	-	27
Accumulated amortisation and impairment	(27)	-	(27)
Net carrying amount	-	-	-

***Other movements**

In 2023-24, it was identified that the opening balance of intangible asset work in progress incorrectly included $7.6 million of costs that did not meet the recognition criteria for capitalisation. As the amount is not considered material, the error was corrected in the 2023-24 financial year and recognised as an operating expense in the Statement of Comprehensive Income.

It was also identified that the opening balance of software also included an asset that did not meet the recognition criteria for capitalisation and the error was corrected by writing off the asset in the 2023-24 financial year.

Recognition and Measurement
Assets are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria are met. The useful lives of intangible assets are assessed to be finite.

The Corporation's intangible assets are amortised using the straight-line method over a period of 5 years or less. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year.

Intangible assets are tested for impairment where an indicator of impairment exists. Work in progress intangible assets is tested for impairment annually. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

10. CURRENT LIABILITIES - PAYABLES

	2024 $'000	2023 $'000
Accrued personnel services expense	73	43
Long service levy commissions	4	4
Long service payments	17	132
Other creditors and accruals	4,022	3,492
	4,116	**3,671**

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 17.

11. CURRENT / NON-CURRENT LIABILITIES – LEASE LIABILITIES

	2024 $'000	2023 $'000
Current		
Lease liability	8	-
Total Current Liability	**8**	**-**
Non-Current		
Lease liability	24	-
Total Non-Current Liability	**24**	**-**
Total Liability	**32**	**-**

	Lease Liabilities $'000
Balance at 1 July 2023	-
Additions	34
Lease Interest	-
Repayment	(2)
Balance at 30 June 2024	**32**

Recognition and Measurement

Lease Liabilities

At the commencement date of the lease, the Corporation recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by the Corporation; and
- payments of penalties for terminating the lease, if the lease term reflects the Corporation exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Corporation's leases, the lessee's incremental borrowing rate is used, being the rate that the Corporation would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

12. CURRENT / NON-CURRENT LIABILITIES - PROVISIONS

	2024 $'000	Restated 2023* $'000
Current		
Scheme Liability	1,624,171	1,439,278
Total Current Provisions	**1,624,171**	**1,439,278**
Non-Current		
Scheme Liability	273,613	309,333
Total Non-Current Provisions	**273,613**	**309,333**
Total Provisions	**1,897,784**	**1,748,611**

*The comparative periods are prepared based on the restated amounts. Refer to Note 1(g) for further details

The current liability amount includes any amount for which the Corporation does not have an unconditional right to defer settlement for at least twelve months after the end of the valuation reporting date. The Actuary has interpreted this to mean the actuarial liability for workers with a vested benefit at the valuation date.

	2024 $'000	2023* $'000
Movements in provisions		
Movements in each class of provision during the year, other than employee benefits, are set out below:		
Provision for scheme liability – Building and Construction Industry		
Carrying amount at the beginning of the financial year	1,667,634	1,579,058
Unwinding of discount rate - Note 2(d)	66,705	58,425
Scheme liability expenses	186,553	146,453
Claims paid	(109,044)	(116,302)
Carrying amount at the end of the financial year	**1,811,848**	**1,667,634**
Provision for scheme liability – Contract Cleaning Industry		
Carrying amount at the beginning of the financial year	80,977	75,283
Unwinding of discount rate - Note 2(d)	3,239	2,785
Scheme liability expenses	8,405	8,381
Claims paid	(6,685)	(5,472)
Carrying amount at the end of the financial year	**85,936**	**80,977**
Total Provisions	**1,897,784**	**1,748,611**

*The comparative periods are prepared based on the restated amounts. Refer to Note 1(g) for further details

Recognition and Measurement

Provisions are recognised when: the Corporation has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income. The Corporation's provisions include the expected benefit payments from the Building and Construction Industry Long Service Payments Scheme and the Contract Cleaning Industry Long Service Payments Scheme as detailed below.

a) Building and Construction Industry Long Service Payments Act, 1986

A full actuarial valuation of the Building and Construction Industry Long Service Payments Scheme was undertaken by Professional Financial Solutions as at 30 June 2021. They have updated this valuation as at 30 June 2024 and estimated the Scheme liabilities as follows:

	Note	2024 $'000	2023* $'000
Valuation as per AASB 137	(i)	1,811,848	1,667,634
Vested Benefits	(iii)	1,639,872	1,360,973

*The comparative periods are prepared based on the restated amounts. Refer to Note 1(g) for further details

(i) The Valuation as per AASB 137 is the value of expected benefit payments from the Scheme arising from service up to the valuation date and payable over the future working lifetime of the workers, which are then discounted to the date of the valuation. In determining these payments as at 30 June 2024, the following key assumptions were adopted:

- Discount rate 4.2% (2023: 4%). The 4.2% discount rate is based on the Commonwealth Government bond yield for the 8.2-year weighted duration of the Scheme's liabilities.
- Future wage increases 4% (2023: 4.5%).
- Rate of future accrual of service (only used to determine if a worker qualifies for a benefit): 195 days per year (2023: the same).
- Exits due to withdrawal, retirement, death and disability: based on historical evidence (2023: the same).
- Active Workers liability: Valued based on historical evidence (2023: the same).
- In Force Inactive Workers liability: Valued based on historical evidence (2023: the same).
- Out of Force Workers liability: Valued based on historical evidence (2023: the same).
- Incurred but Not Reported Service (IBNR) - Active Workers 6.5% (2023: the same).
- Incurred but Not Reported Service (IBNR) - In Force Inactive and Out of Force Workers 9% (2023: the same).
- Administration cost to settle the claim 3.1% (2023: the same)

The Actuary categorises the workers as Active if they had service in last 2 years, In Force Inactive if no service in last 2 years but service in prior 2 years and Out of Force if no service for at least 4 years. As the data for most workers does not include the 2024 financial year, these categories are estimated from earlier data. The Actuary allows for the late reporting of service by using estimates for Incurred But Not Reported (IBNR) Service.

(ii) The Vested Benefits are the amount of benefits payable if service ceased on the valuation date and the worker has more than five years eligible service, or if the worker is age 55 or over, and has more than 55 days service. Service includes the foundation workers bonus year of service. Foundation workers are those who were registered immediately before the commencement of the Building and Construction Industry Long Service Payments Act 1974.

For the purpose of the above valuations, the following numbers of workers were valued:

	2024	2023^
Number of workers:		
Active	270,446	278,472
In force inactive	75,396	80,370
Out of force	25,804	23,185
Total number of workers valued	**371,646**	**382,027**

	2024 $'000	2023* $'000
Expected timing of settlement		
Not later than one year	122,174	128,391
Later than one year and not later than five years	517,531	556,495
Later than five years	1,172,143	982,748
Total	**1,811,848**	**1,667,634**

*The comparative periods are prepared based on the restated amounts. Refer to Note 1(g) for further details
^The comparative periods are prepared based on the restated number of workers. The number of workers was restated as the correction of the scheme valuation error disclosed in Note 1 (g) resulted in an increased number of workers being included in the 2023 valuation.

The Calculation of Scheme Liability table below reconciles the liability at the start and the end of the financial year. The "unwinding of discount rate" arises because the liability for workers at the end of the financial year will have one year less discounting to their expected payment date compared to the beginning of the financial year. The scheme liability expenses being adjustments as a result of changes in "discount rate" and "assumptions apart from the discount rate" arise due to revaluing the previous financial year's data but using the current financial year's assumptions while "additional provisions" is the additional service accruing over the financial year.

Calculation of scheme liability	**Actuarial Valuation BCI**	
Report as at	**30-Jun-24**	**30-Jun-23***
	$'000	**$'000**
Carrying amount at the beginning of the financial year	1,667,634	1,579,058
Unwinding of discount rate	66,705	58,425
Scheme liability expenses being adjustments as a result of changes in:		
- discount rate	(23,180)	(33,612)
- assumptions apart from the discount rate	71,860	82,231
- additional provisions	137,873	97,834
Claims Paid	(109,044)	(116,302)
Carrying amount at the end of the financial year	**1,811,848**	**1,667,634**

*The comparative periods are prepared based on the restated amounts. Refer to Note 1(g) for further details

(iii) Sensitivity analysis

To provide some indication of the uncertainty inherent in estimates of the scheme liability, an illustrative sensitivity analysis has been prepared which quantifies estimates of the liability under some plausible scenarios.

Scenario	**Base Scenario**	**+/- 10%**	**Amount $'000**	**Change**	
				$'000	**%**
Base Scenario			**1,814,652***		
Discount Rate +10%	4.2% pa	4.62% pa	1,766,956	(47,696)	(2.6%)
Discount Rate – 10%	4.2% pa	3.78%pa	1,864,935	50,283	2.8%
Weekly Wage for Claims + 10%	$1,285	$1,414	1,996,690	182,038	10%
Weekly Wage for Claims – 10%	$1,285	$1,156	1,635,011	(179,641)	(9.9%)
Incurred but not reported service + 10%	Active: 6.5% Inactive: 9.0%	Active: 7.2% Inactive: 9.9%	1,826,318	11,666	0.6%
Incurred but not reported service – 10%	Active: 6.5% Inactive: 9.0%	Active: 5.9% Inactive: 8.1%	1,808,054	(11,598)	(0.6%)
Demographic Assumption + 10%			1,822,909	8,257	0.5%
Demographic Assumptions - 10%			1,804,898	(9,754)	(0.5%)

Demographic assumptions are the decrement rates per age. Decrements are deaths, disablements, withdrawals and retirements from the scheme.
*The base scenario in the sensitivity analysis differs slightly from the carrying amount at the end of the financial year in 12(a)(ii) as the base scenario is based on the estimated claims paid whereas the carrying amount in 12(a)(ii) is based on the actual claims paid.

b) Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010

A full actuarial valuation of the Contract Cleaning Industry Long Service Payments Scheme was undertaken by Professional Financial Solutions as at 30 June 2022. They have updated this valuation as at 30 June 2024 and estimated the Scheme liabilities as follows:

	Note	**2024**	**2023***
		$'000	**$'000**
Valuation as per AASB 137	(i)	85,936	80,977
Vested Benefits	(ii)	75,527	70,539

*The comparative periods are prepared based on the restated amounts. Refer to Note 1(g) for further details

(i) The Valuation as per AASB 137 is the value of expected benefit payments from the Scheme arising from service up to the valuation date and payable over the future working lifetime of the workers, which are then discounted to the date of the valuation. In determining these payments as at 30 June 2024, the following key assumptions were adopted:

- Discount Rate 4% (2023: the same). The 4% discount rate is based on the Commonwealth Government bond yield for the 4.2 year weighted duration of the Scheme's liabilities.
- Future wage increases: 2023: 4.5% up to age 40, and 3.5% for ages 40 and above (2023: 5.0% up to age 40, and 4.0% for ages 40 and above)
- Rate of future accrual of service (only used to determine if a worker qualifies for a benefit): 365 days per year (2023: the same)
- Exits due to withdrawal, retirement, death and disability: based on historical evidence (2023: the same)
- Active Worker: claim rates based on the Scheme's experience (2023: the same)
- In force Inactive Worker: 30% of Inactive workers will return to Active status and 20% of Inactive workers with a vested benefit will claim their benefit using a run-off table (2023: the same)
- Incurred but Not Reported Service (IBNR): Nil as scheme experience shows that the effect of IBNR is immaterial to the scheme valuation (2023: the same).
- Administration cost to settle the claim 3.1% (2023: the same)

The Actuary categorises the workers as Active if they had service in last 2 years or Inactive.

For the purpose of this valuation the Actuary has assumed that 30% of Inactive Workers will return to active status and 20% of Inactive workers with a vested benefit will claim their benefit.
As the data for most workers does not include the last quarter of the 2024 financial year, these categories are estimated from earlier data.

(ii) The Vested Benefits are the amount of benefits payable if service ceased on the valuation date and the worker has more than five years eligible service. Service includes the foundation workers bonus year of service. Foundation workers are those who were registered within 6 months after the commencement of the *Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010*.

For the purpose of the above valuations the following numbers of workers were valued:

	2024	2023
Number of workers:		
Active	40,819	38,033
In force inactive	95,853	83,100
Total number of workers valued	**136,672**	**121,133**

	2024 $'000	2023* $'000
Expected timing of settlement		
Not later than one year	8,318	5,775
Later than one year and not later than five years	31,014	25,076
Later than five years	46,604	50,126
Total	**85,936**	**80,977**

*The comparative periods are prepared based on the restated amounts. Refer to Note 1(g) for further details

The Calculation of Scheme Liability table below reconciles the liability at the start and the end of the financial year. The "unwinding of discount rate" arises because the liability for workers at the end of the financial year will have one year less discounting to their expected payment date compared to the beginning of the financial year. The scheme liability expenses being adjustments as a result of changes in "discount rate" and "assumptions apart from the discount rate" arise due to revaluing the previous financial year's data but using the current financial year's assumptions while "additional provisions" is the additional service accruing over the financial year.

Calculation of scheme liability	Actuarial Valuation CCI	
Report as at	**30-Jun-24**	**30-Jun-23***
	$'000	**$'000**
Carrying amount at the beginning of the financial year	80,977	75,283
Unwinding of discount rate	3,239	2,785
Scheme liability expenses being adjustments as a result of changes in:		
- discount rate	-	(874)
- assumptions apart from the discount rate	(1,595)	1,046
- additional provisions	10,000	8,209
Claims Paid	(6,685)	(5,472)
Carrying amount at the end of the financial year	**85,936**	**80,977**

*The comparative periods are prepared based on the restated amounts. Refer to Note 1(g) for further details

(iii) Sensitivity analysis

To provide some indication of the uncertainty inherent in estimates of the scheme liability, an illustrative sensitivity analysis has been prepared which quantifies estimates of the liability under some plausible scenarios.

Scenario	Base Scenario	+/- 10%	Amount	Change	
			$'000	$'000	%
Base Scenario			**85,592***		
Discount Rate +10%	4% pa	4.4% pa	84,392	(1,220)	(1.4%)
Discount Rate – 10%	4% pa	3.6%pa	86,823	1,231	1.4%
Future Wage Increases +10%	4.5%pa up to age 40 and 3.5%pa age 40 and over	4.95%pa up to age 40 and 3.85%pa age 40 and over	86,699	1,107	1.3%
Future Wage Increases –10%	4.5%pa up to age 40 and 3.5%pa age 40 and over	4.05%pa up to age 40 and 3.15%pa age 40 and over	84,406	(1,186)	(1.4%)
Demographic assumptions +10%			84,230	(1,362)	(1.6%)
Demographic assumptions -10%			86,956	1,364	1.6%

Demographic assumptions are the decrement rates per age. Decrements are deaths, disablements, withdrawals and retirements from the scheme.
*The base scenario in the sensitivity analysis differs slightly from the carrying amount at the end of the financial year in 12(a)(ii) as the base scenario is based on the estimated claims paid whereas the carrying amount in 12(a)(ii) is based on the actual claims paid.

13. COMMITMENTS

There are no commitments as at 30 June 2024 (2023: $Nil)

14. CONTINGENT ASSETS AND LIABILITIES

There were no known contingent assets or liabilities as at the end of the financial year.

15. BUDGET REVIEW

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the financial year. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

Net Result
The actual net result is a $22.9 million deficit YTD (2023: $80.9 million surplus) which was unfavourable to the budgeted net result by $23.1 million. The major variations to budget are:

- Total Revenue was $20.5 million favourable to budget, primarily due to Long Service Corporation Investment Fund Trust (LSCIFT) returns being higher than expected. The LSCIFT incurred a return of 6.24% for the financial year compared to a budgeted return of 5%.

- Total Expenses were $42.9 million unfavourable to budget due to:
    - Project Phoenix ($17.1m)
        - The budget was prepared on a previous assessment that part of the project costs would be capitalised as disclosed in note 2(b).
        - Extension of time and resources on the project due to the complexities of the project
    - Movement in the scheme liability including change in the: assumptions, discount rate, allowance for administration expense and the provision ($27.2m).

Assets and liabilities

The actual net assets of $515 million (2023: $537.9 million) were unfavourable to budget by $127.1 million. The main variation to budget was:

- Scheme provision variance to budget $148.2 million:
    - Adjustment of the 30 June 2023 carrying amount ($51.5m)
    - Allowance for administration expense ($57.1m)
    - Other movement in the scheme liability including change in the: assumptions, discount rate, the provision and claims paid ($39.6m)
- Levy Receivables $11.2 million less than budget. This is primarily due the reduction in the Building and Construction long service levy income receivable where the applicant was approved to pay by instalments being $31.8 million in 2024 (2023: $42.4m). The levy receivable varies with the value of the building work being undertaken under each instalment plan as well as the volume of open instalment plans at any one time.
- Intangible Assets $7.3 million less than budget. The budget was prepared on a previous assessment that part of the project costs would be capitalised as disclosed in note 2(b).
- Long Service Corporation Investment Fund Trust (LSCIFT) $37.9 million higher than budget due to returns being higher than expected and surplus cash being deposited into the fund. The LSCIFT incurred a return of 6.24% for the financial year compared to a budgeted return of 5%.

Cash flow Statement

The net cash position was favourable to budget by $2.5 million. The main variations to budget were:

- Actual claims paid less than budget ($16.9m). The budget is based on an actuarial prediction and actual claims experience can differ due to the volume and value of claims paid.
- Cashflow from other operating activities less than budget ($2.8m)
- Long Service Levy income higher than budget ($5m)
- Cashflow from purchase of intangible assets and Information and Communications Technology expenses were higher than budget due to the extension of time and resources on project Phoenix ($2.5m)
- Surplus cash invested in Long Service Corporation Investment Fund Trust (LSCIFT) ($20m)

16. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income as follows:

	2024 $'000	**2023* $'000**
Net cash used in operating activities	7,245	38,045
Depreciation and amortisation	(294)	(293)
Allowance for impairment	(1,151)	(702)
Finance costs - unwinding of discount	(69,944)	(61,210)
Net gains / (losses) on disposal of assets	(626)	-
Net gains / (losses) on investments	108,758	81,637
Distribution Income from investments	30,395	54,999
(Increase) / decrease in Long Service scheme provision (excluding finance costs)	(79,229)	(33,060)
Increase/ (decrease) in other assets	(7,554)	-
Increase / (decrease) in receivables	(10,090)	3,912
(Increase) / decrease in payables	(445)	(2,462)
Net result	**(22,936)**	**80,866**

*The comparative periods are prepared based on the restated amounts. Refer to Note 1(g) for further details

Non-Cash Investing Activities

Non-cash additions to investments during the year amounted to $30.4 million (2023: $55m) which were financed by distribution income declared.

	2024 $'000	2023 $'000
Investments acquired by distribution income	30,395	54,999

FUND INFORMATION

Fund	Notes	Building & Construction Industry 2024 $'000	Building & Construction Industry Restated 2023* $'000	Contract Cleaning Industry 2024 $'000	Contract Cleaning Industry Restated 2023* $'000	Total 2024 $'000	Total Restated 2023* $'000
Expenses excluding losses							
Personnel services expenses	2(a)	10,729	8,058	2,650	1,828	13,379	9,886
Other operating expenses	2(b)	23,596	12,409	6,020	2,745	29,616	15,154
Depreciation and amortisation	2(c)	293	292	1	1	294	293
Finance costs	2(d)	66,705	58,425	3,239	2,785	69,944	61,210
Scheme liability expenses	12	186,553	146,453	8,405	8,381	194,958	154,834
Total expenses excluding losses		287,876	225,637	20,315	15,740	308,191	241,376
Revenue							
Investment revenue	3(a)	133,788	131,069	6,179	6,138	139,967	137,207
Long service levy income	3(b)	135,617	175,437	10,287	9,582	145,904	185,019
Other revenue	3(c)	8	13	2	2	10	15
Total Revenue		269,413	306,519	16,468	15,722	285,881	322,241
Gains/ (Losses) on disposal	4	(626)	1	-	-	(626)	1
Total comprehensive income		(19,089)	80,883	(3,847)	(18)	(22,936)	80,866

Fund	Notes	Building & Construction Industry			Contract Cleaning Industry			Total		
		2024 $'000	Restated 2023* $'000	Restated 1 July 2022 $'000	2024 $'000	Restated 2023* $'000	Restated 1 July 2022 $'000	2024 $'000	Restated 2023* $'000	Restated 1 July 2022 $'000
ASSETS										
Current Assets										
Cash and cash equivalents	5	**10,777**	23,769	23,652	**1,511**	1,274	1,994	**12,288**	25,043	25,646
Receivables	6	**19,049**	22,790	22,183	**2,582**	2,368	2,241	**21,631**	25,158	24,424
Total Current Assets		**29,826**	46,559	45,835	**4,093**	3,642	4,235	**33,919**	50,201	50,070
Non-Current Assets										
Financial assets at fair value	7	**2,273,309**	2,115,243	1,949,689	**98,445**	97,358	91,276	**2,371,754**	2,212,601	2,040,965
Receivables	6	**11,183**	18,899	16,422	**-**	-	-	**11,183**	18,899	16,422
Plant and equipment	8	**1**	3	6	**-**	1	2	**1**	44	8
Right-of-Use Assets	8	**32**	-	-	**-**	-	-	**32**	-	-
Intangible assets	9	**-**	8,470	5,170	**-**	-	-	**-**	8,470	5,170
Total Non-Current Assets		**2,284,525**	2,142,615	1,971,287	**98,445**	97,359	91,278	**2,382,970**	2,239,974	2,062,565
Total Assets		**2,314,351**	2,189,174	2,017,122	**102,538**	101,001	95,513	**2,416,889**	2,290,175	2,112,635

Fund	Notes	Building & Construction Industry			Contract Cleaning Industry			Total		
		2024 $'000	2023* $'000	Restated 1 July 2022 $'000	2024 $'000	2023* $'000	Restated 1 July 2022 $'000	2024 $'000	2023* $'000	Restated 1 July 2022 $'000
LIABILITIES										
Current Liabilities										
Payables	10	**3,177**	3,158	567	**939**	513	701	**4,116**	3,671	1,268
Lease liabilities	11	**8**	-	-	**-**	-	-	**8**	-	-
Provisions	12	**1,551,392**	1,371,188	1,339,378	**72,779**	68,090	62,517	**1,624,171**	1,439,278	1,401,895
Total Current Liabilities		**1,554,577**	1,374,346	1,339,945	**73,718**	68,603	63,218	**1,628,295**	1,442,949	1,403,163
Non-Current Liabilities										
Lease liabilities	11	**25**	-	-	**-**	-	-	**25**	-	-
Provisions	12	**260,456**	296,446	239,680	**13,157**	12,887	12,766	**273,613**	309,333	252,446
Total Non-Current Liabilities		**260,481**	296,446	239,680	**13,157**	12,887	12,766	**273,638**	309,333	252,446
Total Liabilities		**1,815,058**	1,670,792	1,579,625	**86,875**	81,490	75,984	**1,901,933**	1,752,282	1,655,609
Net Assets		**499,294**	518,382	437,497	**15,663**	19,511	19,529	**514,956**	537,893	457,026
EQUITY										
Accumulated Funds		**499,294**	518,382	437,497	**15,663**	19,511	19,529	**514,956**	537,893	457,026
Total Equity		**499,294**	518,382	437,497	**15,663**	19,511	19,529	**514,956**	537,893	457,026

*The comparative periods are prepared based on the restated amounts. Refer to Note 1(g) for further details

17. FINANCIAL INSTRUMENTS

The Corporation's principal financial instruments are outlined below. These financial instruments arise directly from the Corporation's operations or are required to finance the Corporation's operations. The Corporation does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporation's main risks arising from financial instruments are outlined below, together with the Corporation's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Secretary has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Corporation, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Corporation on a continuous basis.

(a) Financial Instrument Categories

Financial Assets	Note	Category	2024 $'000 Carrying Amount	2023 $'000 Carrying Amount
Class:				
Cash and cash equivalents	5	Amortised Cost	12,288	25,043
Receivables [i]	6	Amortised Cost	-	-
Financial assets at fair value	7	Fair value through profit or loss	2,371,754	2,212,601
Financial Liabilities	**Note**	**Category**		
Class:				
Payables[ii]	10	Financial liabilities measured at amortised cost	4,095	3,535

(i) Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)
(ii) Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

The Corporation determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Corporation transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The Corporation has transferred substantially all the risks and rewards of the asset; or
- The Corporation has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control.

When the Corporation has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Corporation has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Corporation's continuing involvement in the asset. In that case, the Corporation also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Corporation has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Corporation could be required to repay.

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

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) Financial Risk

(i) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Corporation. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

Credit risk arises from the financial assets of the Corporation, including cash, receivables, and authority deposits. No collateral is held by the Corporation. The Corporation has not granted any financial guarantees.

Credit risk associated with the Corporation's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

The Corporation considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Corporation may also consider a financial asset to be in default when internal or external information indicates that the Corporation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Corporation.

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation ("TCorp") 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Accounting policy for impairment of trade debtors and other financial assets

Receivables – Other receivables

Collectability of other receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. The Corporation considers other receivables in default when the receivable is over 90 days and there is no agreed payment plan in place.

The Corporation has recognised a provision for expected credit losses on its long service levy receivables of $2m (2023: $0.9m). The Corporation is not materially exposed to concentrations of credit risk to a single debtor or group of debtors as at 30 June 2024 and 2023.

(ii) Liquidity Risk

Liquidity risk is the risk that the Corporation will be unable to meet its payment obligations when they fall due. The Corporation continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

During the current and prior year, no assets have been pledged as collateral. The Corporation's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12.

For small business suppliers, where terms are not specified, payment is made no later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made not later than the end of the month following the month in which an invoice or statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an Authority (or person appointed by the Head of an Authority) may automatically pay the supplier simple interest.

The table below summarises the maturity profile of the Corporation's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

	$'000	$'000			$'000		
		Interest Rate Exposure			Maturity Dates		
	Nominal Amount (i)	Fixed Interest Rate	Variable Interest Rate	Non-interest Bearing	< 1 Year	1-5 Years	> 5 Years
2024							
Payables	4,095	-	-	4,095	4,095	-	-
	4,095	-	-	4,095	4,095	-	-

	$'000	$'000			$'000		
		Interest Rate Exposure			Maturity Dates		
	Nominal Amount (i)	Fixed Interest Rate	Variable Interest Rate	Non-interest Bearing	< 1 Year	1-5 Years	> 5 Years
2023							
Payables	3,535	-	-	3,535	3,535	-	-
	3,535	-	-	3,535	3,535	-	-

(i) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Corporation can be required to pay. These amounts include both interest and principal cash flows and therefore will not reconcile to amounts disclosed in the Statement of Financial Position.

(iii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation's exposures to market risk are primarily through price risks associated with the movement in the unit price of the LSCIFT. The Corporation has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Corporation operates and the time frame for the assessment (i.e. until the end of the next financial year). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position reporting date. The analysis is performed on the same basis as for 2023. The analysis assumes that all other variables remain constant.

(iv) 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. Exposure to interest rate risk arises primarily through the Corporation's interest bearing assets. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates:

	$'000				
	Carrying Amount	Net Result -1.0%	Equity -1.0%	Net Result +1.0%	Equity +1.0%
2024					
Financial Assets (i)					
Cash and cash equivalents	12,288	(123)	(123)	123	123
2023					
Financial Assets (i)					
Cash and cash equivalents	25,043	(250)	(250)	250	250

(i) Both receivables and payables are excluded as the Corporation deems there exists no interest exposure.

(v) Other Price risk – TCorp Funds

Exposure to 'other price risk' primarily arises through the investment in the Long Service Corporation Investment Fund Trust (LSCIFT), which is held for strategic rather than trading purposes. The Corporation's only direct equity investment is in the LSCIFT.

Fund	Investments	Investment Horizon	2024 $'000	2023 $'000
LSCIFT	Cash, money market instruments, Australian bonds, unlisted property and infrastructure, Australian and international equities	7 years and over	2,371,754	2,212,601

The unit price is equal to the total fair value of the net assets held by the fund divided by the number of units on issue. Unit prices are calculated and published daily. The Corporation holds 100% of the units issued by the Long Service Corporation Investment Fund Trust (LSCIFT).

TCorp as trustee for the LSCIFT is required to act in the best interest of the unit holders and to administer the funds in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of the fund in accordance with a mandate agreed by the parties. TCorp has also leveraged off internal expertise to manage certain fixed income assets. A significant portion of the administration of the fund is outsourced to an external custodian.

Investment in the LSCIFT limits the Corporation's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

TCorp provides sensitivity analysis information for each of the investment funds including the LSCIFT, which is used to demonstrate the impact on the funds net assets as a result of a change in the unit price. The impact is based on a sensitivity rate of 10%, multiplied by the redemption value as at 30 June each year for each fund (balance from TCorp Fund Statement). Actual movements in the price risk variables may differ to the sensitivity rate used due to a number of factors. The funds are measured at fair value through profit or loss and therefore any change in unit price impacts directly on net results.

	Impact on Profit / Loss			
	2024		2023	
	Change in Unit price	$'000	Change in Unit price	$'000
LSCIFT	+/-10%	+/-237,175	+/-10%	+/-221,260

(e) Fair Value Measurement

(i) Fair value compared to carrying amount

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

There are no financial instruments where the fair value differs from the carrying amount.

(ii) Fair value recognised in the Statement of Financial Position

Management assessed that cash, trade receivables, trade payables, and other current liabilities approximate their fair values, largely due to the short-term maturities of these instruments.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Corporation categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that the Corporation can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

- Level 3 - inputs that are not based on observable market data (unobservable inputs).

The Corporation recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2024				
Financial Assets at fair value				
LSCIFT	-	2,371,754	-	2,371,754
Total	**-**	**2,371,754**	**-**	**2,371,754**
2023				
Financial Assets at fair value				
LSCIFT	-	2,212,601	-	2,212,601
Total	**-**	**2,212,601**	**-**	**2,212,601**

The value of the LSCIFT is based on the Corporation's share of the value of the underlying assets of the fund, based on the market value. The LSCIFT is valued using 'redemption' pricing.

The table above only includes financial assets, as no financial liabilities were measured at fair value in the Statement of Financial Position.

18. RELATED PARTY DISCLOSURES

Key management personnel

During the year, the Corporation incurred $174k (2023: $182k) in respect of key management personnel services that are provided by a separate management entity (DCS).

Other related party transactions

The Corporation entered into transactions with other entities that are controlled / jointly controlled / significantly influenced by NSW Government. These transactions which are conducted as arm's length transactions are a significant portion of the Corporation's receiving of services, in aggregate are as follows:

		2024 $'000		2023 $'000	
Nature of transaction		**Transaction value income/ (expense) $'000**	**Net receivable/ (payable) $'000**	**Transaction value income/ (expense) $'000**	**Net receivable/ (payable) $'000**
Purchases of goods/ services and other payments	Department of Customer Service	(33,448)	(2,672)	(20,129)	(977)
Purchases of goods/ services and other payments	Audit Office of NSW	(136)	(93)	(103)	(47)
Purchases of goods/ services and other payments	NSW Self Insurance Corporation	(89)	-	(27)	-
Purchases of goods/ services and other payments	State Archives & Records Authority	(29)	(2)	(27)	-
Purchases of goods/ services and other payments	Multicultural NSW	(15)	-	(1)	-
Purchases of goods/ services and other payments	Crown Solicitor's Office	(2)	-	(1)	-

19. EVENTS AFTER BALANCE DATE

Adjusting Events

There are no known events after the end of the financial year which would give rise to a material impact on the reported results or financial position of the Corporation as at 30 June 2024.

On 13th August 2024, the NSW Treasurer issued a Treasurer's Direction requiring the establishment of a single investment portfolio known as OneFund. The Treasurer's Direction requires that OneFund be managed in accordance with an Investment Strategy and Risk Appetite Statement approved by the NSW Treasurer. A Ministerial Direction was issued directing the Corporation to invest its funds into OneFund. On 31st August 2024 the Corporation exchanged its existing unitised TCorp investments for an equal value of units in OneFund. The exchange of units was at fair value and did not result in any change in value of the funds.

END OF AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR’S REPORT

Long Service Corporation Investment Fund

To the Treasurer and Directors of the Trustee

Opinion

I have audited the accompanying financial report of the Long Service Corporation Investment Fund (the Fund), which comprises the Statement of comprehensive income for the year ended 30 June 2024, the Statement of financial position as at 30 June 2024, the Statement of changes in equity and the Statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In my opinion, the financial report:

- has been prepared in accordance with Australian Accounting Standards
- presents fairly the Fund's financial position, financial performance and cash flows.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the ‘Auditor’s Responsibilities for the Audit of the Financial Report’ section of my report.

I am independent of the Fund in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board’s APES 110 ‘Code of Ethics for Professional Accountants (including Independence Standards)’ (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

The Trustee's Responsibilities for the Financial Report

The Directors of the Fund's Trustee, New South Wales Treasury Corporation, are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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In preparing the financial report, the Directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

- obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial report.

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Fund carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.

Weini Liao
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

27 September 2024
SYDNEY

Statement by the Trustee

Statement by the Trustee

In the opinion of the directors of the Trustee:

The financial statements and notes of the Fund are in accordance with the requirements of the Fund Constitution, and:

(i) are properly drawn up so as to present fairly the Fund's financial position as at 30 June 2024 and of its performance, as represented by the results of its operations, changes in equity and its cash flows for the year ended on that date; and

(ii) comply with Australian Accounting Standards.

This declaration is made in accordance with a resolution of the directors.

M J Dwyer
Director

D M Deverall
Director

Sydney
27 September 2024

Financial statements Investment Fund

Long Service Corporation Investment Fund
Statement of comprehensive income
For the year ended 30 June 2024

	Notes	Year ended 30 June 2024 $	30 June 2023 $
Investment income			
Interest income		**1,101,087**	620,505
Trust distribution income		**75,878,861**	56,547,649
Net gains/(losses) on financial instruments held at fair value through profit or loss	12	**69,356,078**	79,164,449
Other operating income		**1,243**	-
Total net investment income/(loss)		**146,337,269**	136,332,603
Expenses			
Trustee fees	14	**1,908,853**	1,645,748
Management fees*		**298,112**	238,002
Custody fees		**80,351**	63,975
Transaction costs		**42,954**	39,812
Audit fees	13	**18,149**	17,543
Other operating expenses		**144,017**	163,014
Total operating expenses		**2,492,436**	2,168,094
Profit/(loss) for the year		**143,844,833**	134,164,509
Other comprehensive income		**-**	-
Total comprehensive income for the year		**143,844,833**	134,164,509

*Management fees include payments to TCorp as manager and other external managers. Refer to Note 14 for any amounts paid or payable to TCorp as manager.

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

Long Service Corporation Investment Fund
Statement of financial position
As at 30 June 2024

		As at	
	Notes	**30 June 2024** **$**	30 June 2023 $
Assets			
Cash and cash equivalents	11	**13,032,670**	6,266,218
Margin and collateral accounts		**13,911,154**	9,884,065
Due from brokers - receivable for securities sold		**-**	6,617,194
Receivables	9	**157,021**	113,206
Financial assets held at fair value through profit or loss	6	**2,362,462,478**	2,204,894,150
Total assets		**2,389,563,323**	2,227,774,833
Liabilities			
Margin and collateral accounts		**479,002**	163,207
Payables	10	**185,839**	39,738
Financial liabilities held at fair value through profit or loss	7	**15,961,152**	18,479,391
Total liabilities		**16,625,993**	18,682,336
Net assets attributable to unitholders - equity	5	**2,372,937,330**	2,209,092,497

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

Long Service Corporation Investment Fund
Statement of changes in equity
For the year ended 30 June 2024

	Notes	Year ended 30 June 2024 $	30 June 2023 $
Total equity at the beginning of the financial year		**2,209,092,497**	2,039,927,988
Comprehensive income for the year			
Profit/(loss) for the year		**143,844,833**	134,164,509
Other comprehensive income		**-**	-
Total comprehensive income for the year		**143,844,833**	134,164,509
Transactions with unitholders			
Applications	5	**25,000,000**	46,000,000
Redemptions	5	**(5,000,000)**	(11,000,000)
Units issued upon reinvestment of distributions	5	**30,394,643**	54,999,262
Distributions paid and payable	5	**(30,394,643)**	(54,999,262)
Total transactions with unitholders		**20,000,000**	35,000,000
Total equity at the end of the financial year		**2,372,937,330**	2,209,092,497

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

Long Service Corporation Investment Fund
Statement of cash flows
For the year ended 30 June 2024

	Notes	Year ended 30 June 2024 $	30 June 2023 $
Cash flows from operating activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		**185,940,732**	309,576,850
Purchase of financial instruments held at fair value through profit or loss		**(202,219,370)**	(361,767,287)
Trust distributions received		**4,320,356**	4,887,107
Interest received		**1,065,727**	593,249
Trustee fees paid		**(1,759,568)**	(1,645,748)
Management fees paid		**(297,969)**	(238,316)
Transaction costs paid		**(42,954)**	(39,812)
Custody fees paid		**(78,259)**	(63,076)
Audit fees paid		**(23,568)**	-
Payment of other operating expenses		**(151,229)**	(190,025)
Net cash inflow/(outflow) from operating activities	15(a)	**(13,246,102)**	(48,887,058)
Cash flows from financing activities			
Proceeds from applications by unitholders		**25,000,000**	46,000,000
Payments for redemptions by unitholders		**(5,000,000)**	(11,000,000)
Net cash inflow/(outflow) from financing activities		**20,000,000**	35,000,000
Net increase/(decrease) in cash and cash equivalents		**6,753,898**	(13,887,058)
Cash and cash equivalents at the beginning of the year		**6,266,218**	20,131,736
Effects of foreign currency exchange rate changes on cash and cash equivalents		**12,554**	21,540
Cash and cash equivalents at the end of the year	11	**13,032,670**	6,266,218
Non-cash operating activities	15(b)	**71,558,505**	51,660,542
Non-cash financing activities	15(b)	**30,394,643**	54,999,262

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

1 General information

This financial report covers Long Service Corporation Investment Fund (the "Fund") as an individual entity.

The Trustee of the Fund is New South Wales Treasury Corporation (ABN 99 095 235 825) (the "Trustee"). The Trustee's registered office is Level 7, Deutsche Bank Place, 126 Phillip Street, Sydney, NSW 2000.

The Fund aims to achieve a maximum total return by investing in unlisted managed investment funds and in accordance with the provisions of the Fund Constitution.

The financial statements were authorised for issue by the directors of the Trustee on 27 September 2024. The Trustee has the power to amend and reissue the financial report.

2 Material accounting policy information

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the current financial year and the comparative period, unless otherwise stated. Where necessary, comparative information has been represented to be consistent with current period disclosures.

(a) Basis of preparation

This financial report is a general purpose financial report which has been prepared on an accruals basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations). The Fund is a for-profit entity for the purposes of preparing financial reports. The financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have determined that the accounting policies adopted are appropriate to meet the needs of the unitholders.

The financial report has been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Statement of financial position presents assets and liabilities in decreasing order of liquidity and does not distinguish between current and non-current items. The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at balance sheet date. All assets and liabilities are expected to be recovered or settled within 12 months. In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholder's option. As such, the amount expected to be settled within 12 months cannot be reliably determined.

The amounts presented in the financial statements have been rounded to the nearest dollar.

(b) New accounting standards and interpretations

The Fund has applied the following amendments for the first time for the annual reporting period commencing 1 July 2023:

AASB 2021-2 Amendments to Australian Accounting Standards-Disclosure of Accounting Policies and Definition of Accounting Estimates

The adoption of the amendments did not materially impact the Fund.

Further, there are no standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

2 Material accounting policy information (continued)

(c) Financial instruments

(i) Classification

The Fund's investments are categorised as at fair value through profit or loss. They comprise:

- Financial instruments held at fair value through profit or loss upon initial recognition

  These include financial assets that are not held for trading purposes and which may be sold. These are investments unlisted managed investment funds.

  Financial assets and financial liabilities held at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Trustee to evaluate the information about these financial instruments on a fair value basis with other related financial information.

- Derivative financial instruments such as futures and forward foreign exchange contracts are included under this classification. The Fund does not designate any derivatives as hedges in a hedging relationship.

(ii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments has expired or the Fund has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Financial assets and liabilities held at fair value through profit or loss

At initial recognition, the Fund measures a financial asset at its fair value in accordance with *AASB 13 Fair Value Measurement*. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities held at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities held at fair value through profit or loss' category are presented in the Statement of comprehensive income within 'Net gains/(losses) on financial instruments held at fair value through profit or loss' in the period in which they arise.

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting date without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Fund is the current bid price and the quoted market price for financial liabilities is the current asking price.

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. Accordingly, there may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference exists, the Fund recognises the difference in profit or loss to reflect a change in factors, including time, that market participants would consider in setting a price.

Further details on how the fair values of financial instruments are determined are disclosed in Note 3(e) and Note 3(f).

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously (refer to Note 4 for further details).

(d) Net assets attributable to unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Trustee if it is in the best interests of the unitholders.

The units can be put back to the Fund for cash based on the redemption price, which is equal to a proportionate share of the Fund's net asset value attributable to the unitholders.

The units are carried at the redemption amount that is payable at the Statement of financial position date if the holder exercises the right to put the units back to the Fund. This amount represents the expected cash flows on redemption of these units.

2 Material accounting policy information (continued)

(d) Net assets attributable to unitholders (continued)

Units are classified as equity when they satisfy the criteria under *AASB 132 Financial instruments: Presentation:*

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of Fund's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial assets, or to exchange financial instruments with another entity under potentially unfavorable conditions to the Fund, and it is not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over its life are based substantially on profit or loss.

(e) Cash and cash equivalents

For the Statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

(f) Investment income

Interest income earned on cash and cash equivalents is recognised on an accruals basis.

Trust distributions are recognised on an entitlements basis.

(g) Expenses

All expenses are recognised in the Statement of comprehensive income on an accruals basis.

(h) Income tax

The Fund operates under the Attribution Managed Investment Trust (“AMIT”) tax regime.

In accordance with current legislation, there is no provision for income tax on the Fund’s taxable income as it is intended that the entirety is attributed to its unitholders.

The benefit of any imputation credits and foreign tax paid are passed on to unitholders as their individual circumstances allow for these to be passed on.

(i) Distributions

Distributions are payable as set out in the Fund's Constitution and the TCorpIM Funds Distribution Policy. Such distributions are determined by the Trustee of the Fund.

(j) Foreign currency translation

(i) Functional and presentation currency

Items included in the Fund’s financial statements are measured using the currency of the primary economic environment in which it operates (the “functional currency”). This is the Australian dollar, which reflects the currency of the economy in which the Fund competes for capital and is regulated. The Australian dollar is also the Fund’s presentation currency.

2 Material accounting policy information (continued)

(j) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

The Fund does not isolate that portion of gains or losses on securities and derivative financial instruments which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included within the net gains or losses on financial instruments at fair value through profit or loss.

(k) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and normally settled within three business days.

(l) Receivables

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of the last payment in accordance with the policy set out in Note 2(f) above. Amounts are generally received within 30 days of being recorded as receivables.

The Fund applies a simplified approach in calculating expected credit loss and where applicable recognises a loss allowance based on the lifetime expected credit losses (ECL) at each reporting date. Given the limited exposure of the Fund to credit risk, no material ECL has been recognised. The Fund only holds receivables with no financing component.

(m) Payables

Payables include liabilities and accrued expenses owing by the Fund and redemption payable which are unpaid as at the end of the reporting period.

A separate distribution payable is recognised in the Statement of financial position as at the end of each reporting period where this amount remains unpaid as at the end of each reporting period.

(n) Applications and redemptions

Applications for and redemptions of units in the Fund are transacted at the prevailing unit price of the Fund in accordance with the provisions of the Fund Constitution.

(o) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as custodial services and investment management fees have been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) hence investment management fees, custodial fees and other expenses have been recognised in the Statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statement of financial position.

(p) Use of estimates and significant judgement

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2 Material accounting policy information (continued)

The Fund's investments are measured at fair value through profit or loss. Where available, quoted market prices for the same or similar instrument are used to determine fair value. Where there is no market price available for an instrument, a valuation technique is used. Judgement is applied in selecting valuation techniques and setting valuation assumptions and inputs. Further details on the determination of fair value of financial assets and derivative financial instruments is set out in Note 2(c).

The Fund holds units in other unlisted managed investment funds (refer to Note 14). The Trustee has determined that the Fund does not control these entities as the Fund does not have the power over their relevant activities.

(q) Margin and collateral accounts

Margin accounts comprise cash held as collateral for derivative transactions. The cash is held by the broker/counterparty and is only available to meet margin calls and mitigate the risk of financial loss from defaults.

(r) Investment entity exemption

An investment entity is an entity that:

i. obtains funds from one or more unitholders for the purpose of providing the unitholder(s) with investment management services;
ii. commits to its unitholder(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
iii. measures and evaluates the performance of substantially all of its investments on a fair value basis.

Typical characteristics of an investment entity include:

i. it has more than one investment;
ii. it has more than one unitholder;
iii. it has unitholders that are not related parties of the entity; and
iv. it has ownership interests in the form of equity or similar interests.

The Fund has been determined to be an investment entity even though some of the unitholders are related parties. All transactions between the Fund and its related parties are at market value and on normal commercial terms and conditions. This includes purchases and sales of financial instruments as well as applications and redemptions of units. As such, the related parties do not transact with the Fund on terms that are unavailable to other unitholders therefore this does not preclude the Fund from meeting the definition of an investment entity.

3 Financial risk management

The Fund is exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds. The Trustee is responsible for managing these risks and does so through a process of ongoing identification, measurement and monitoring.

Risks are measured using a method that reflects the expected impact on the results and net assets attributable to unitholders of the Fund from reasonably foreseeable changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is disclosed below. Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is also monitored by the Trustee. These mandate limits reflect the investment strategy and market environment of the Fund, as well as the level of risk that the Fund is willing to accept.

This information is prepared and regularly reported to relevant parties within the Trustee.

As part of its risk management strategy, the Fund may use derivatives to manage certain risk exposures.

Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentration of risk, the Trustee monitors the Fund's exposures to ensure concentrations of risk remain within acceptable levels and either reduces exposure or uses derivative instruments to manage the excessive risk concentrations when they arise.

3 Financial risk management (continued)

(a) Market risk

Market risk is defined as the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Fund's investment activities are undertaken in accordance with established mandate limits and investment strategies.

The Fund buys and sells derivatives in the ordinary course of business, and also incurs financial liabilities, in order to manage market risks.

(i) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will change because of movements in market prices.

The Fund is exposed to equity securities and derivatives price risk. This arises from investments held by the Fund for which prices in the future are uncertain. These investments are classified on the Statement of financial position at fair value through profit or loss. The fair value of the investments represents the Fund's maximum price risk.

The Fund mitigates price risk by diversifying exposure across a range of investment managers and markets. Benchmarks are established for each investment manager and the Trustee monitors performance and tracking errors relative to those benchmarks.

(ii) Foreign exchange risk

The Fund may hold monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises in relation to the value of monetary securities denominated in other currencies which will fluctuate due to changes in foreign exchange rates. The foreign exchange risk relating to non-monetary assets (such as equity investments and holdings in managed investment funds) and non-monetary liabilities in foreign currencies is a component of price risk not foreign exchange risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

The Fund may also be exposed to foreign exchange risk indirectly through its holdings in managed investment funds denominated in Australian dollars but whose underlying securities are denominated in foreign currencies. This also forms a component of price risk, not foreign exchange risk.

The table below summarises all of the Fund's assets and liabilities, both monetary and non-monetary, that are denominated in a currency other than the Australian dollar.

Assets	**30 June 2024** **AUD equivalent in exposure by currency** **$**	30 June 2023 AUD equivalent in exposure by currency $
US Dollars	**944,904**	620,552
Euro	**39**	110,458
Japanese Yen	**-**	12,045
Swiss Franc	**2,796**	358,467
Other Currencies	**-**	75,217
Total assets	**947,739**	1,176,739

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Liabilities	**30 June 2024** **AUD equivalent in exposure by currency** **$**	30 June 2023 AUD equivalent in exposure by currency $
US Dollars	**(534,166)**	(10,202,752)
Euro	**(8,717)**	(1,460,554)
British Pounds	**(36,774)**	(1,574,555)
Japanese Yen	**(31,167)**	-
Canadian Dollars	**(3,401)**	(812,153)
Swiss Franc	**(13,813)**	(38,430)
Hong Kong Dollars	**-**	(150,295)
Swedish Krona	**(41,710)**	-
Other Currencies	**(2,235)**	(76,263)
Total liabilities	**(671,983)**	(14,315,002)

(iii) Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk is primarily measured and managed using duration.

The Fund is exposed to interest rate risk on cash and cash equivalents which is not considered material.

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund’s operating profit and net assets attributable to unitholders to market risk. The reasonably possible movements in the risk variables have been determined based on the Trustee's best estimates, having regard to a number of factors (where applicable), including historical levels of changes in interest rates and foreign exchange rates and historical movements of the Fund’s investments. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

	Impact on operating profit/net assets attributable to unitholders			
	Price risk *		**Foreign exchange risk**	
	-10%	**+10%**	**-10%**	**+10%**
	$	**$**	**$**	**$**
30 June 2024	**(234,068,341)**	**234,068,341**	**39,840**	**(39,840)**
	-10%	+10%	-10%	+10%
	$	$	$	$
30 June 2023	(220,355,399)	220,355,399	4,415	(4,415)

*Price risk represents a Fund's exposure to equity securities and derivative securities price risk. The price risk sensitivity above has therefore been calculated excluding the Fund's cash and interest bearing securities holding.

3 Financial risk management (continued)

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

The Fund's maximum credit risk exposure at the end of the reporting period in relation to each class of recognised financial asset, other than equity and derivative financial instruments, is the carrying amount of those assets as indicated in the Statement of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

In relation to equity and derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The risk associated with these contracts is minimised by undertaking transactions with counterparties on recognised exchanges, or where applicable ensuring that transactions are undertaken with a large number of counterparties.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values.

There are no financial assets that are past due or impaired, or would otherwise be past due or impaired except for the terms having been renegotiated.

The Fund may obtain, or provide, collateral to support amounts due under derivative transactions with certain counterparties. These arrangements are agreed between the Fund and each counterparty and take the form of annexures to the standard industry agreement governing the underlying derivative transaction.

The exposure to credit risk for cash and cash equivalents are low as all counterparties have a rating of A-1 (as determined by Standard and Poor's) or higher.

(d) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Cash flow risk is the risk that future cash flows associated with financial instruments will fluctuate in amount or timing.

The Fund maintains sufficient cash and cash equivalents to meet normal operating requirements.

Financial liabilities of the Fund comprise trade and other payables and derivative financial instruments. Trade and other payables and distributions payable have no contractual maturities but are typically settled within 30 days of the obligation arising. Payment obligations in respect of derivative financial instruments arise and are met pursuant to their terms of issue.

Note 5 sets out how the Trustee manages net assets attributable to unitholders.

The table below details the Fund's financial liabilities into the relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are contractual undiscounted cash flows.

As at 30 June 2024	Less than 1 month	1-6 months	6-12 months	Over 12 months	Total
	$	$	$	$	$
Liabilities					
Forward foreign exchange contracts					
Inflows	**1,128,731,711**	**114,722,606**	**-**	**-**	**1,243,454,317**
(Outflows)	**(1,139,225,262)**	**(117,528,152)**	**-**	**-**	**(1,256,753,414)**
Equity futures					
(Outflows)	**-**	**(38,421)**	**-**	**-**	**(38,421)**
Interest rate futures					
(Outflows)	**-**	**(2,623,634)**	**-**	**-**	**(2,623,634)**
Margin and collateral accounts	**(479,002)**	**-**	**-**	**-**	**(479,002)**
Payables	**(185,839)**	**-**	**-**	**-**	**(185,839)**
Total liabilities	**(11,158,392)**	**(5,467,601)**	**-**	**-**	**(16,625,993)**

3 Financial risk management (continued)

(d) Liquidity risk (continued)

As at 30 June 2023	Less than 1 month $	1-6 months $	6-12 months $	Over 12 months $	Total $
Liabilities					
Forward foreign exchange contracts					
Inflows	17,681,405	814,928,061	-	-	832,609,466
(Outflows)	(17,955,655)	(830,262,296)	-	-	(848,217,951)
Equity futures					
(Outflows)	-	(476,459)	-	-	(476,459)
Interest rate futures					
(Outflows)	-	(2,394,447)	-	-	(2,394,447)
Margin and collateral accounts	(163,207)	-	-	-	(163,207)
Payables	(39,738)	-	-	-	(39,738)
Total liabilities	(477,195)	(18,205,141)	-	-	(18,632,335)

(e) Fair value estimation

The carrying amounts of the Fund's assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in fair value recognised in the Statement of comprehensive income.

- Fair value in an active market

  The fair value of financial assets and liabilities traded in an active market is based on their quoted market prices at the Statement of financial position date without any deduction for estimated future selling costs. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

  The appropriate quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. A financial instrument is regarded as quoted in an investment market if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

- Fair value in an inactive or unquoted market

  The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the Statement of financial position date taking into account current market conditions (volatility and appropriate yield curves) and the current creditworthiness of the counterparties.

  The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques which are discussed in Note 3(f).

(f) Fair value measurement

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

3 Financial risk management (continued)

(f) Fair value measurement (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Trustee. The Trustee considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable.

Investments in unlisted managed investment funds are recorded at the redemption value per unit as reported by the managers of such funds.

The following tables present the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy as at 30 June 2024 and 30 June 2023.

	Level 1	**Level 2**	**Level 3**	**Total**
As at 30 June 2024	**$**	**$**	**$**	**$**
Financial assets				
Forward foreign exchange contracts	**-**	**21,740,646**	**-**	**21,740,646**
Equity futures	**1,217**	**-**	**-**	**1,217**
Unlisted managed investment funds	**-**	**2,095,368,116**	**245,352,499**	**2,340,720,615**
Total	**1,217**	**2,117,108,762**	**245,352,499**	**2,362,462,478**
Financial liabilities				
Forward foreign exchange contracts	**-**	**(13,299,097)**	**-**	**(13,299,097)**
Equity futures	**(38,421)**	**-**	**-**	**(38,421)**
Interest rate futures	**(2,623,634)**	**-**	**-**	**(2,623,634)**
Total	**(2,662,055)**	**(13,299,097)**	**-**	**(15,961,152)**

	Level 1	Level 2	Level 3	Total
As at 30 June 2023	$	$	$	$
Financial assets				
Forward foreign exchange contracts	-	863,700	-	863,700
Equity futures	124	-	-	124
Unlisted managed investment funds	-	1,954,024,902	250,005,424	2,204,030,326
Total	124	1,954,888,602	250,005,424	2,204,894,150
Financial liabilities				
Forward foreign exchange contracts	-	(15,608,485)	-	(15,608,485)
Equity futures	(476,459)	-	-	(476,459)
Interest rate futures	(2,394,447)	-	-	(2,394,447)
Total	(2,870,906)	(15,608,485)	-	(18,479,391)

3 Financial risk management (continued)

(f) Fair value measurement (continued)

The Fund recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred.

There were no transfers between levels of the fair value hierarchy during the year ended 30 June 2024 and 30 June 2023.

Investments classified within Level 3 have significant unobservable inputs, as they are infrequently traded. Level 3 instruments include the investments in unlisted managed investment funds that hold direct assets such as unlisted property and unlisted infrastructure, given the estimation and judgement involved in the valuation of these assets by the fund manager and their valuer.

Valuation techniques

The valuation techniques and inputs used in measuring the fair value of financial assets and liabilities are outlined in Note 2(c).

Fair value measurements using significant unobservable inputs (Level 3)

The following table shows a reconciliation of the movement in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the year.

30 June 2024	**Unlisted managed investment funds**
	$
Opening balance	**250,005,424**
Purchases	**5,972,146**
Gains/(losses) recognised in the Statement of comprehensive income	**(10,625,071)**
Closing balance	**245,352,499**
Total unrealised gains/(losses) for the year included in the Statement of comprehensive income for financial assets and liabilities held at the end of the year	**(10,625,071)**

30 June 2023	Unlisted managed investment funds
	$
Opening balance	239,898,152
Purchases	7,385,176
Sales	(395,296)
Gains/(losses) recognised in the Statement of comprehensive income	3,117,392
Closing balance	250,005,424
Total unrealised gains/(losses) for the year included in the Statement of comprehensive income for financial assets and liabilities held at the end of the year	3,020,439

The Fund's investment in these unlisted managed investment funds is carried at fair value based on redemption value per unit reported by the manager of such funds. The Trustee regularly monitors performance of such funds including its underlying assets.

3 Financial risk management (continued)

(f) Fair value measurement (continued)

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements.

	Fair value at 30 June 2024 $	**Unobservable inputs**	**Reasonable possible shift +/- (absolute value)**	**Change in valuation $**
Unlisted managed investment funds	**245,352,499**	**Published redemption prices**	**+/-10%**	**24,535,250/ (24,535,250)**

	Fair value at 30 June 2023 $	Unobservable inputs	Reasonable possible shift +/- (absolute value)	Change in valuation $
Unlisted managed investment funds	250,005,424	Published redemption prices	+/-10%	25,000,542/ (25,000,542)

4 Offsetting financial assets and financial liabilities

Financial assets and liabilities are permitted to be offset and the net amount reported in the Statement of financial position where the Fund currently has a legally enforceable right to set off the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The Fund enters into derivative transactions governed by master netting arrangements set out in International Swaps and Derivatives Association (ISDA) agreements between the Fund and market counterparties. In certain circumstances, such as a credit default, all outstanding transactions under the ISDA agreement are terminated, the termination value is determined and only a single net amount is payable to/receivable from a counterparty in settlement of all transactions. The Fund's ISDA agreements do not currently meet the criteria for offsetting in the Statement of financial position. This is because the Fund does not currently have a legally enforceable right to offset recognised amounts, as the right to offset is enforceable only on the occurrence of future events. These amounts have therefore not been offset in the Statement of financial position, but have been presented separately in the following table. The column "Net amount" shows the impact on the Fund's Statement of financial position if all set off rights were exercised.

4 Offsetting financial assets and financial liabilities (continued)

30 June 2024	Gross amount of financial instruments presented in the Statement of financial position	Amounts subject to master netting arrangements	Net amount excluding collateral	Cash collateral received/posted	Net amount
	$	$	$	$	$
Financial assets					
Forward foreign exchange contracts	**21,740,646**	**(13,200,345)**	**8,540,301**	**-**	**8,540,301**
Equity futures	**1,217**	**(1,217)**	**-**	**-**	**-**
Margin and collateral accounts	**13,911,154**	**(465,189)**	**13,445,965**	**(37,204)**	**13,408,761**
Total	**35,653,017**	**(13,666,751)**	**21,986,266**	**(37,204)**	**21,949,062**
Financial liabilities					
Forward foreign exchange contracts	**(13,299,097)**	**13,200,345**	**(98,752)**	**-**	**(98,752)**
Equity futures	**(38,421)**	**1,217**	**(37,204)**	**37,204**	**-**
Interest rate futures	**(2,623,634)**	**-**	**(2,623,634)**	**-**	**(2,623,634)**
Margin and collateral accounts	**(479,002)**	**465,189**	**(13,813)**	**-**	**(13,813)**
Total	**(16,440,154)**	**13,666,751**	**(2,773,403)**	**37,204**	**(2,736,199)**

30 June 2023	Gross amount of financial instruments presented in the Statement of financial position	Amounts subject to master netting arrangements	Net amount excluding collateral	Cash collateral received/posted	Net amount
	$	$	$	$	$
Financial assets					
Forward foreign exchange contracts	863,700	(863,700)	-	-	-
Equity futures	124	(124)	-	-	-
Margin and collateral accounts	9,884,065	(163,207)	9,720,858	(698,888)	9,021,970
Total	10,747,889	1,027,031	9,720,858	(698,888)	9,021,970
Financial liabilities					
Forward foreign exchange contracts	(15,608,485)	863,700	(14,744,785)	222,553	(14,522,232)
Equity futures	(476,459)	124	(476,335)	476,335	-
Interest rate futures	(2,394,447)	-	(2,394,447)	-	(2,394,447)
Margin and collateral accounts	(163,207)	163,207	-	-	-
Total	(18,642,598)	1,027,031	(17,615,567)	698,888	(16,916,679)

5 Net assets attributable to unitholders

Under *AASB 132 Financial instruments: Presentation,* puttable financial instruments that meet the definition of a financial liability are to be classified as equity where certain strict criteria are met.

As part of the Fund's election into the AMIT regime, the Fund no longer has a contractual obligation to pay distributions to unitholders. As such, the net assets attributable to unitholders of the Fund have been classified as equity per the requirements of AASB 132.

Movement in number of units and net assets attributable to unitholders during the year were as follows:

	Year ended			
	30 June 2024	30 June 2023	**30 June 2024**	30 June 2023
	No.	No.	**$**	$
Opening balance	**2,285,036,755**	2,191,993,087	**2,209,092,497**	2,039,927,988
Profit/(loss) for the year	**-**	-	**143,844,833**	134,164,509
Applications	**25,277,377**	47,584,075	**25,000,000**	46,000,000
Redemptions	**(4,851,525)**	(11,255,294)	**(5,000,000)**	(11,000,000)
Units issued upon reinvestment of distributions	**29,883,045**	56,714,887	**30,394,643**	54,999,262
Distributions paid and payable	**-**	-	**(30,394,643)**	(54,999,262)
Closing balance	**2,335,345,653**	2,285,036,755	**2,372,937,330**	2,209,092,497
Published Unit Price			**1.0156**	0.9683

The 30 June published Unit Price may differ to the Net asset Value (NAV) per unit price calculated as per these financial statements. This is primarily due to methodology variances between calculating the published Unit Price and preparing the financial statements under the accounting standards. Variances are considered immaterial.

As stipulated in the Fund Constitution, each unit represents a right to an equal undivided interest in the Fund and does not extend to a right to the underlying assets in the Fund.

Capital risk management

The Fund manages its net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Trustee. Under the terms of the Fund Constitution, the Trustee has the discretion to reject an application for units and may defer or adjust a redemption of units in certain circumstances.

6 Financial assets held at fair value through profit or loss

	As at	
	30 June 2024 Fair value	30 June 2023 Fair value
	$	$
Equity futures	**1,217**	124
Forward foreign exchange contracts	**21,740,646**	863,700
Unlisted managed investment funds	**2,340,720,615**	2,204,030,326
Total financial assets held at fair value through profit or loss	**2,362,462,478**	2,204,894,150

7 Financial liabilities held at fair value through profit or loss

	As at	
	30 June 2024 Fair value	30 June 2023 Fair value
	$	$
Equity futures	**(38,421)**	(476,459)
Interest rate futures	**(2,623,634)**	(2,394,447)
Forward foreign exchange contracts	**(13,299,097)**	(15,608,485)
Total financial liabilities held at fair value through profit or loss	**(15,961,152)**	(18,479,391)

8 Derivative financial instruments

In the normal course of business, the Fund may enter into transactions in various derivative financial instruments. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include a wide assortment of instruments, such as forwards, futures and options. Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- to protect an asset or liability of the Fund against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Fund's net assets attributable to unitholders.

The Fund holds the following derivative financial instruments during the year:

(a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange.

Equity futures are contractual obligations to receive or pay a net amount based on changes in underlying securities at a future date at a specified price, established in an organised financial market.

Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised financial market.

(b) Forward foreign exchange contracts

Forward foreign exchange contracts are primarily used by the Fund to hedge against foreign currency exchange rate risks on its non-Australian dollar denominated securities. The Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the end of each reporting period. The Fund recognises a gain or loss equal to the change in fair value at the end of each reporting date.

8 Derivative financial instruments (continued)

The Fund's derivative financial instruments at year end are detailed below:

		Fair Value	
	Contract/notional	**Assets**	**Liabilities**
	$	**$**	**$**
30 June 2024			
Forward foreign exchange contracts	**3,318,617,445**	**21,740,646**	**(13,299,097)**
Equity futures	**(10,024,213)**	**1,217**	**(38,421)**
Interest rate futures	**259,593,405**	**-**	**(2,623,634)**
		21,741,863	**(15,961,152)**

		Fair Value	
	Contract/notional	Assets	Liabilities
	$	$	$
30 June 2023			
Forward foreign exchange contracts	822,745,323	863,700	(15,608,485)
Equity futures	(28,942,485)	124	(476,459)
Interest rate futures	211,060,020	-	(2,394,447)
		863,824	(18,479,391)

An overview of the risk exposures relating to derivatives is included in Note 3.

9 Receivables

	As at	
	30 June 2024	30 June 2023
	$	$
Interest receivable	**70,843**	35,483
GST receivable	**86,178**	77,723
Total	**157,021**	113,206

10 Payables

	As at	
	30 June 2024	30 June 2023
	$	$
Trustee fees payable	**149,285**	-
Management fees payable	**477**	334
Custody fees payable	**23,953**	21,861
Audit fees payable	**12,124**	17,543
Total	**185,839**	39,738

11 Cash and cash equivalents

	As at	
	30 June 2024	30 June 2023
	$	$
Cash at bank	13,032,670	6,266,218
Total	13,032,670	6,266,218

12 Net gains/(losses) on financial instruments held at fair value through profit or loss

The net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

	Year ended	
	30 June 2024	30 June 2023
	$	$
Net gains/(losses) on financial assets and liabilities held at fair value through profit or loss (including FX gains/(losses))	69,356,078	79,164,449
	69,356,078	79,164,449

13 Auditor's remuneration

During the year, the following fees were paid or payable for services provided by the auditor of the Fund:

	Year ended	
	30 June 2024	30 June 2023
	$	$
Audit of the financial statements	18,149	17,543
Total	18,149	17,543

14 Related party transactions

Trustee

The Trustee of Long Service Corporation Investment Fund is New South Wales Treasury Corporation. Accordingly, transactions with entities related to the Trustee are disclosed below.

Ultimate parent entity

The ultimate parent entity and controlling party of the Fund is the New South Wales Government.

Key management personnel

Directors

Key management personnel includes persons who were directors of the Trustee at any time during the financial year.

Key management personnel compensation

Key management personnel compensation is paid by the Trustee. Payments made from the Fund to the Trustee do not include any amounts directly attributable to the compensation of key management personnel.

Key management personnel loan disclosures

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting year.

Other transactions

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving key management personnel's interests existing at year end.

Cabinet Ministers

Cabinet Ministers of the New South Wales Government are considered to be related parties of the Fund and each State-controlled entity. There were no related party transactions with the Cabinet Ministers.

Other New South Wales Government entities

Other NSW Government entities invest in the Fund. The Fund transacts with these investors in accordance with the provisions of the Fund Constitution.

Trustee fees and other transactions

Under the terms of the Fund Constitution for the Fund, the Trustee is entitled to receive trustee fees monthly. Trustee fees for all TCorp related Funds invested into were paid and accrued directly by this Fund, based on its percentage holding.

Transactions with related parties have taken place at arm's length and in the ordinary course of business. The transactions during the year and amounts at year end between the Fund and the Trustee were as follows:

	Year ended	
	30 June 2024	30 June 2023
	$	$
Trustee fees for the year	**1,908,853**	1,645,748
Management fees for the year	**76,844**	59,605
Aggregate amounts payable to the Trustee as asset manager at the reporting date	**156,349**	5,405

14 Related party transactions (continued)

Investments

Details of related parties investments held by the Fund, which New South Wales Treasury Corporation acts as Trustee, are set out below.

30 June 2024	Fair value of investment $	Interest held %	Distributions/ Interest received or receivable during the year $
TCorpIM Australian Inflation Linked Bond Fund	567,170,615	75.40	-
TCorpIM Australian Bond Fund	232,947,369	7.62	-
TCorpIM Liquidity Cash Fund	84,194,922	2.31	3,905,169
TCorpIM Short Term Income Fund	29,640,951	3.05	1,535,414
TCorpIM Emerging Market Share Fund	50,921,128	1.65	908,346
TCorpIM Unlisted Property Fund	76,412,668	2.80	2,685,660
TCorpIM Unlisted Infrastructure Fund	102,743,370	2.15	1,704,182
TCorpIM Defensive Alternatives Fund	108,734,620	2.80	4,651,993
TCorpIM Bank Loan Fund	89,253,627	2.53	13,316,108
TCorpIM Emerging Market Debt Fund	99,161,982	3.00	947,063
TCorpIM Opportunistic Fund A	38,412,098	7.78	1,486,294
TCorpIM Core Alternatives Fund	94,503,022	1.78	1,508,463
TCorpIM Developed Market Property Fund	14,355,253	1.18	826,307
TCorpIM Opportunistic Fund B	6,154,853	2.49	2,415,934
TCorpIM Developed Markets Equities (Sovereign Investor-Hedged) Fund	438,590,010	2.51	31,861,443
TCorpIM Opportunistic Fund E	2,736,058	1.79	525,117
TCorpIM Direct Investment Fund N	3,673,858	0.94	-
TCorpIM Global Credit Fund	41,278,391	4.11	-
TCorpIM High Yield Fund	41,438,045	2.55	1,120,628
TCorpIM Opportunistic Liquidity Provision Fund	68,231,781	2.76	454,425
TCorpIM Receivables Fund	1,455,760	2.92	-
TCorpIM Australian Share Fund	103,411,624	2.11	6,026,315
TCorpIM Insurance Holding Fund	44,433,769	7.13	-

14 Related party transactions (continued)

Investments (continued)

30 June 2023	Fair value of investment $	Interest held %	Distributions/ Interest received or receivable during the year $
TCorpIM Australian Share Fund	92,095,144	2.04	11,238,056
TCorpIM Australian Inflation Linked Bond Fund	545,036,955	70.46	2,383,946
TCorpIM Australian Bond Fund	210,920,712	7.70	1,660,452
TCorpIM Liquidity Cash Fund	106,574,541	3.26	3,558,074
TCorpIM Short Term Income Fund	28,080,494	3.02	1,293,195
TCorpIM Emerging Market Share Fund	45,615,823	1.47	940,866
TCorpIM Unlisted Property Fund	85,288,670	2.70	3,146,923
TCorpIM Unlisted Infrastructure Fund	98,555,828	2.29	2,167,732
TCorpIM Defensive Alternatives Fund	92,953,389	2.57	13,463,055
TCorpIM Bank Loan Fund	81,361,262	2.21	4,256,369
TCorpIM Emerging Market Debt Fund	94,697	4.12	-
TCorpIM Opportunistic Fund A	35,324,170	7.78	1,478,599
TCorpIM Core Alternatives Fund	86,280,129	1.74	2,761,105
TCorpIM Developed Market Property Fund	16,342,633	1.18	305,143
TCorpIM Opportunistic Fund B	7,884,769	2.49	1,255,814
TCorpIM Developed Markets Equities (Sovereign Investor - Hedged) Fund	425,817,418	2.64	4,668,076
TCorpIM Opportunistic Fund E	2,517,805	1.79	89,661
TCorpIM Direct Investment Fund N	3,589,462	0.94	-
TCorpIM Global Credit Fund	43,020,368	3.81	-
TCorpIM High Yield Fund	38,345,794	2.49	1,879,874
TCorpIM Opportunistic Liquidity Provision Fund	63,225,624	2.76	-

15 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	Year ended 30 June 2024 $	Year ended 30 June 2023 $
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss) for the year	**143,844,833**	134,164,509
Net (gains)/losses on financial instruments held at fair value through profit or loss (including FX (gains)/losses)	**(69,356,078)**	(79,164,449)
Proceeds from sale of financial instruments held at fair value through profit or loss	**185,940,732**	309,576,850
Purchases of financial instruments held at fair value through profit or loss	**(202,219,370)**	(361,767,287)
Dividends/distributions reinvested	**(71,558,505)**	(51,660,542)
Net change in receivables and other assets	**(43,815)**	(51,884)
Net change in accounts payables and accrued liabilities	**146,101**	15,745
Net cash inflow/(outflow) from operating activities	**(13,246,102)**	(48,887,058)
(b) Non-cash activities		
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	**30,394,643**	54,999,262
During the year, the following acquisitions were satisfied by participation in dividend and distribution reinvestment plan	**71,558,505**	51,660,542
	101,953,148	106,659,804

16 Events occurring after the reporting period

The New South Wales Treasurer issued a Treasurer's Direction on 13 August 2024 requiring the establishment of a single investment portfolio known as OneFund (NSW Master Fund and TCorpIM Unlisted Property Fund). The Direction mandates that the Fund may only invest funds in the OneFund portfolio. On 31 August 2024, the Fund exchanged a portion of its units in TCorpIM Unlisted Property Fund and all units in other existing unlisted TCorpIM investments for an equal value of units in NSW Master Fund. The exchange of units occurred at fair value and did not result in any change in value of the Fund at that point in time.

There are no other significant events have occurred since the end of the reporting period and up to the date of signing the Annual Financial Report which would impact on the financial position of the Fund disclosed in the Statement of financial position as at 30 June 2024 or on the results and cash flows of the Fund for the year ended on that date.

17 Contingent assets, contingent liabilities and commitments

At 30 June 2024 the Fund had commitments to LPC Logistics Venture Two, LP totaling $1,981,843 (USD 1,323,574) (30 June 2023: Nil). These commitments, when called, will be fully funded from unitholders. This is not reflected in the Statement of financial position. There are no other outstanding contingent assets, contingent liabilities or commitments as at 30 June 2024.

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