Long Service Corporation Annual Report

2014/2015

Long Service Corporation

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Hours
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This annual report was produced wholly by Long Service Corporation officers.
There were no external production costs and the annual report is available in electronic format only.
This annual report can be accessed on the Long Service Corporation website.

Letter to the Minister

Parliament House
Macquarie Street
SYDNEY NSW 2000

The Hon Gladys Berejiklian MP
Minister for Industrial Relations

Dear Minister

In accordance with the *Annual Reports (Statutory Bodies) Act 1984*, I have the pleasure in submitting for your information and presentation to Parliament, the Annual Report for the Long Service Corporation for the financial year ended 30 June 2015.

Sincerely,

Rob Whitfield
Chief Executive Officer

27 October 2015

Long Service CORPORATION

STREET ADDRESS: LEVEL 1, 19-21 WATT STREET, GOSFORD NSW 2250 **/ TELEPHONE:** 13 14 41
POSTAL ADDRESS: LOCKED BAG 3000, CENTRAL COAST MC NSW 2252
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About Us

Established in 1982 to administer the *Building and Construction Industry Long Service Payments Act,* the Corporation provides a portable long service payments scheme to building and construction workers in NSW.

With the introduction of the *Long Service Corporation Act 2010* and the *Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010*, the Corporation's name changed from the Building and Construction Industry Long Service Payments Corporation to the Long Service Corporation.

At the end of the 2014/2015 financial year the Long Service Corporation provided portable long service schemes to approximately 326,000 active workers and 34,500 active employers in the building and construction industry and 51,122 active workers and 746 active employers in the contract cleaning industry.

Our Stakeholders

The Long Service Corporation has a diverse range of stakeholders from the building and construction industry and the contract cleaning industry. The Corporation engages with the New South Wales community, government, employers, workers and third parties. The Corporation monitors its engagement through a stakeholder engagement model program, customer satisfaction surveys and feedback.

STAKEHOLDERS	KEY ISSUES
NSW Community (Levy payers and general community)	◤ Levy Payers: Levy payment on all building and construction work $25,000 and above 1.7% of ordinary wages for the contract cleaning scheme ◤ General Community: Information about the levy rate and why we have it
Workers (Workers, self employed workers, trade unions)	◤ Workers: membership, recording service, claiming entitlements, other scheme related information and advice ◤ Self employed workers: registration, recording service, claiming entitlements, 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 payment plans/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 self employed workers in the building and construction scheme
Government (Local Government Councils, Government agencies)	◤ Local Government Councils: Levy collection agent, scheme information for the building and construction scheme ◤ Government Agencies contracting work in both industries: Responsibilities under the Acts

Our Functions & Services

OUR FUNCTIONS

- Ensuring industry workers are registered in the scheme and recording service;
- Ensuring industry employers are aware of their obligations and complying with the scheme;
- Collecting the long service levy and managing the fund;
- Paying claims to workers and employers;
- Marketing the scheme to the participating NSW industries.

OUR SERVICES

The Services provided by the Corporation include:

- Helpline operating from 8:30am - 5:00pm Monday to Friday;
- Interpreter services offering support to our many workers and employers from non-English speaking backgrounds;
- Face to face customer service from our two office locations at Gosford and Lidcombe;
- Field advisory services – inspectors are available to do site and office visits to employers to explain long service obligations, benefits and coverage queries;
- TAFE presentations to building industry apprentices;
- Presentations at industry events including trade evenings or association meetings;
- Trade Union delegate training;
- Advisory service to other industry stakeholders such as accountancy firms;
- Provision of an electronic return for councils;
- Field visits to private certifiers and 152 local councils to provide support and assist on levy matters;
- Presentations at industry events organised by local councils or certifiers.

OUR VALUES

Our staff work within a framework of clear values:

- Be professional
- Show respect
- Earn trust
- Be honest
- Be fair

OUR VISION

To increase involvement and retention of workers in participating NSW industries by providing portable long service entitlements.

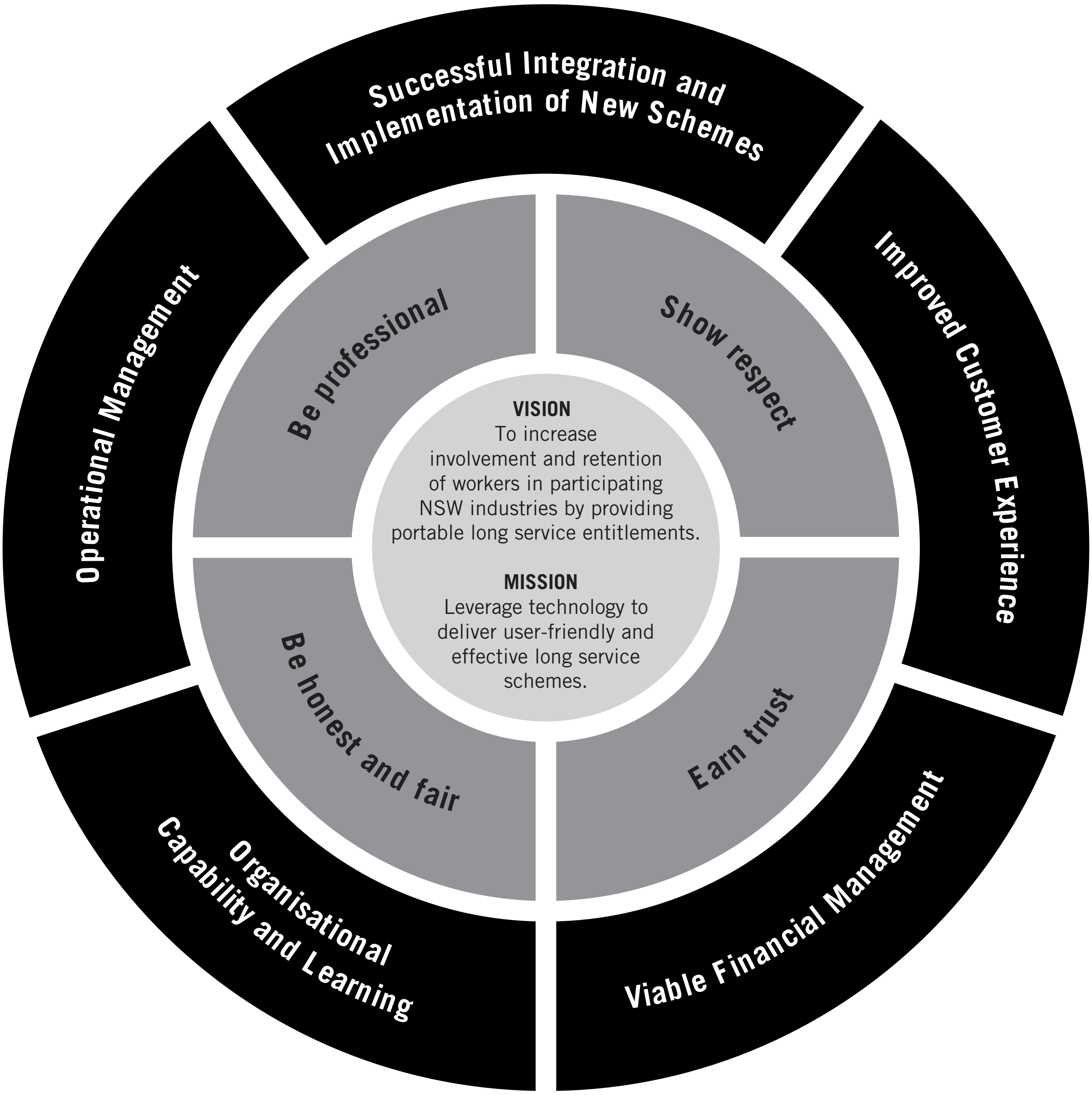
OUR MISSION

Leverage technology to deliver user-friendly and effective portable long service schemes.

'User Friendly' is defined in relation to LSC customers and the nature of the service being one touch and self service (online) thus improving the customer experience.

'Effective' is defined in relation to services being fit for purpose, of high quality (right first time) and time efficient.

Corporate Plan 2014/2015



Chief Executive Officer's Report

I was delighted to take up the role of Chief Executive Officer (CEO) of Long Service Corporation on 13 July this year. I would like to acknowledge and say thank you to Philip Gaetjens who was CEO of Long Service Corporation for the period of this review.

Under Philip's leadership the Corporation transferred to NSW Treasury in October 2012 and since that time has moved from deficit to surplus. This result was driven by a number of factors including the way the Corporation values it scheme liabilities and a significant growth in levy revenue. Levy compliance also improved with better use of data from the industry and other government agencies.

The Long Service Corporation also benefited from the establishment of its own Investment Trust Fund within Treasury Corporation, now valued at just over $1 billion. Coupled with favourable market conditions 2014/2015 has seen a significant improvement in Long Service Corporation's financial position.
The Investment Trust Fund returned 10.6 per cent or $94.4 million and together with a 19.1 per cent increase in levy revenue to $144.5 million, along with a slight increase in total expenses from $127 million to $132.5 million, the corporation has improved its equity position from $87 million last year to $193.4 million at 30 June 2015.

I would like to thank Vicki Telfer, Executive Director, NSW Industrial Relations who chairs both Industry Committees, along with the members of those committees. I'd also like to thank the chair and members of the Audit and Risk Committee, for their contribution to the business. Finally thank you to Scott Warr, Corporation Director, and team for your continued commitment to providing excellent service to our customers. I look forward to working with you in 2015/2016 as we continue to focus on improving service and on strong investment returns.

Rob Whitfield
Chief Executive Officer

Principal Officers

PRINCIPAL OFFICERS

Rob Whitfield

BCom, Grad Dip Banking, Grad Dip Fin
Secretary,
NSW Treasury,
Chief Executive Officer,
Long Service Corporation

Vicki Telfer

BSc, DipEd, MPA, MALP, MAICD
Executive Director,
NSW Industrial Relations

Scott Warr

BA, MMGT
Director

Sam Sooialo

BIT, CMgr, MBA
Deputy Director

Eric Hartge

McomPA, FIPA
Financial Controller

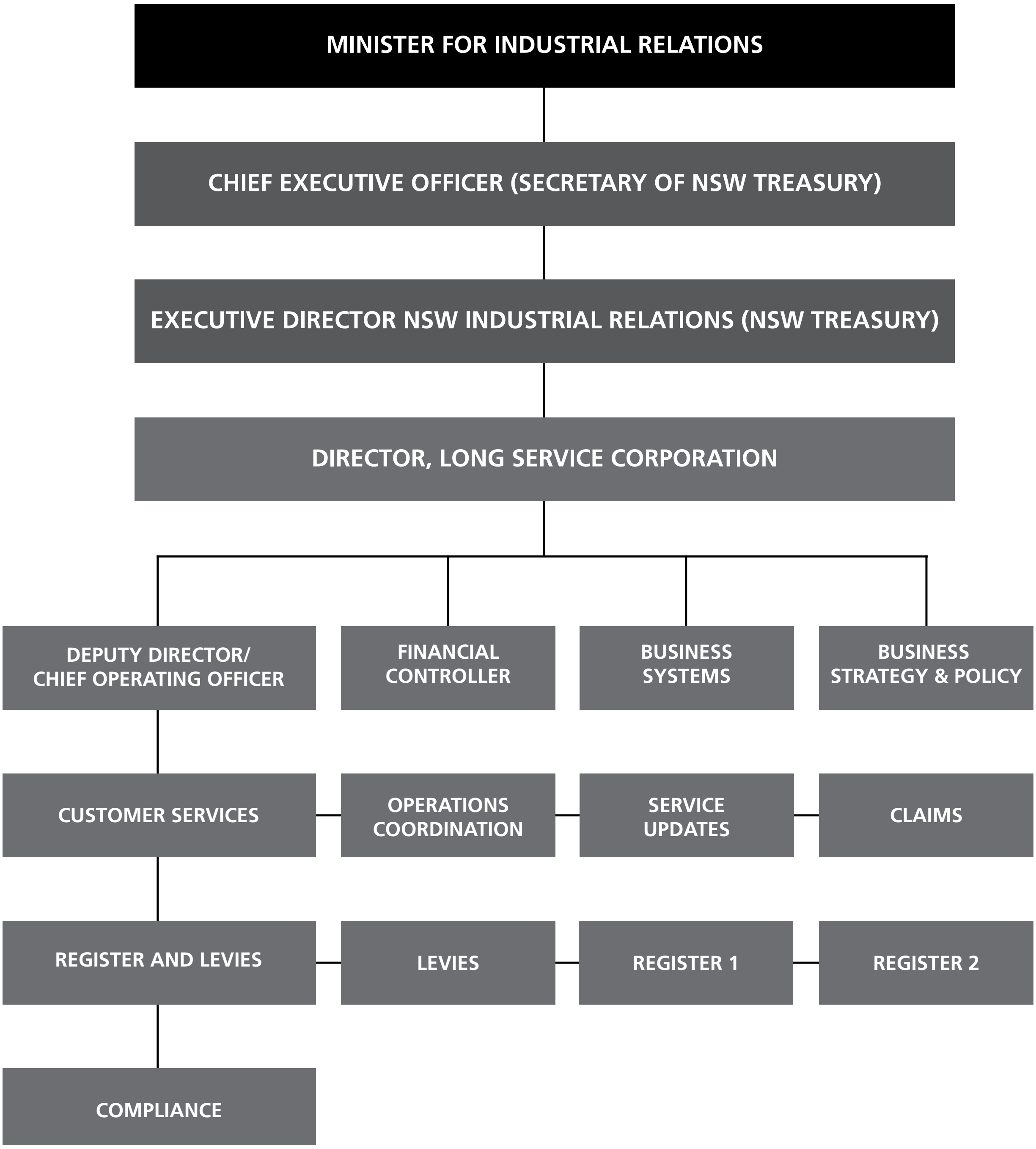
Paul Stalling

Dip Financial Markets, Dip Project Management
Strategy, Policy and Planning

Monica Hu

HDipSA, MBA, MIS, MACS (Snr) CP
Business Systems Manager

Organisational Structure



Director's Report

The Corporation's primary focus for the 2014/2015 financial year has been on improving the Corporation's financial position. The Corporation recorded a surplus of $106.5 million for the financial year. Work continued during the year on the Investment Facilities Trust with Treasury Corporation (TCorp) to adjust the Strategic Asset Allocation to a more conservative 60/40 allocation of growth to defensive assets which was achieved as of 30 June 2015. Investment performance for 2014/2015 was again above expectations with the Corporation's investments returning 10.6%. The return was 0.1% ahead of the benchmark of 10.5%.

The responsibilities of the Corporation continue to grow. The Building and Construction Industry (BCI) scheme alone saw claims payments totalling $69.0 million to 11,124 workers, $135.2 million in levies collected, as well as the registration of 30,253 new workers and 2,773 new employers. The Contract Cleaning Industry (CCI) scheme has $9.3 million in levy collected this year and has reached a relatively steady state with 51,122 active workers and 746 active employers registered with the scheme.

Highlights

In Operations, emphasis on levy revenue collection has again been a key focus this year with $6.0 million in additional revenue collected by the Compliance Team.

The Corporation's New Integrated Leave System (NILS) IT project went through the NSW Treasury 'Gateway' initial business case review process in September 2014 and recommendations were used to improve the project Business Case, which was approved by the Expenditure Review Committee of Cabinet in April 2015. The Corporation continues to work on improving its online suite of services, with the upgraded BCI Worker portal being completed.

During the year the Corporation went out to tender and appointed an Actuary for a three year period. The Corporation's asset consultant contract was extended for a further three years.

The transitional arrangements for the *Government Sector Employment Act 2013 (GSE Act)* required a number of recruitment activities to be undertaken before the end of February 2015. These activities were completed and successful candidates were appointed shortly after.

The Corporation continues to administer both the *Building and Construction Industry Long Service Payments Act 1986* and the *Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010* to an excellent standard. The new financial year brings with it many challenges and opportunities for the Corporation to build on the good work and excellent achievements of 2014/2015. I look forward to working in partnership with the building and construction industry and the contract cleaning industry to further improve the efficiency and ease with which we deliver our services to workers and employers.

S. Warr.

Scott Warr
Director,
Long Service Corporation

Operational Overview

From a front line operational perspective, financial year 2014/2015 was even more challenging than 2013/2014 as more internal changes were implemented to further align our business processes and systems in order to provide more services online.

Our operational objectives were to reduce the need for members to contact us by minimising errors and to provide an easier way of allowing members to submit a query. This financial year system enhancements enabled members to submit their claims via email. This made it easier to gain the information but it did provide some additional challenges. The Corporation's aim is to provide an Online claims facility that is integrated directly into our member database allowing members to be paid quicker.

From a compliance perspective analysis of the data currently available suggests that more employers are remaining compliant and that service is being recorded for more workers, a 3% (4,065) increase than the previous year in the Building and Construction Industry scheme.

Transactions via traditional channels such as post and fax continue to decline whilst the use of email continues to increase as noted in Table 1 - Volume of Inbound and Outbound work (refer page 16). We have also gained additional insight into the reasons members' contact us, noted further down in the Helpline breakdown of this report. This insight will allow us to further modify our services and better train our staff in the appropriate areas.

Cross training of our front line staff has been another key objective enabling them to assist members with a variety of issues without the need to refer calls on. We continue to make considerable improvements and overcome challenges as they arise.

For a more detailed view of this year's activities please refer to the following sections.

Sam Sooialo
Deputy Director/COO

Operational Overview

1.1 HELPLINE OVERVIEW

- In total 86,088 inbound calls were presented to officers of which 92% (78,962) were answered achieving our KPI. As per Activity Table, 11% less calls were received.
- On average 87% of calls were Building and Construction Industry (BCI) related, 3% Contract Cleaning Industry (CCI) with the remaining 10% of callers hanging up at the menu prompts without making a selection.
- Within BCI, 34% of calls were from employers, 6% from Levy payers and 60% from workers. Worker calls were split 54% Claims, 14% Missing Service, 1% Appeals and 29% General query related.
- Within CCI, 40% of calls were from employers and 53% were from workers, 5% hung up and 2% selected an invalid option.

1.2 BUILDING AND CONSTRUCTION INDUSTRY (BCI) LEVIES

- Payment via the Online channel continued to increase, up 23% (+6727) and up 47% (+147) via our Counter but down 28% (-84) via Bank and 2% (-82) via Post.
- $6.0 million of additional levies were collected by the Compliance team in unpaid or underpaid levies.

1.3 BCI CLAIMS OVERVIEW

- In total, 11,799 claim applications were received with 11,124 paid to the value of $69.0 million.

Operational Overview

1.4 BCI COMPLIANCE

- At 30 June 2015, 96% (21,789) of employers required to submit an annual for FY2013/2014 return did so. In comparison the compliance rates for FY2012/2013 and 2011/2012 were 96% (21,626) and 89% (20,234) respectively.
- This result meant that at 30 June 2015, 42% (132,288) of workers on the database had service lodged and confirmed for FY 2013/2014 compared to 128,223 at 30 June 2014 and as such 3% (4,065) more workers recorded service.

1.5 BCI MISSING SERVICE

- In total 1,193 requests were received to investigate missing service due to employer compliance - an 18% (+179) increase from the previous year.

1.6 CCI OPERATIONAL OVERVIEW

- Since the scheme was introduced, 746 employers remain registered in the scheme.
- The number of workers has increased from 42,926 to 51,122 in this financial year.
- 275 Employer Reimbursement Claims have been processed and paid from the fund.

ACTIVITY	2015	2014
Building and Construction Industry		
New worker registrations approved	30,253	28,839
Workers removed from register (including bulk cancellation)	19,100	39,423
Total number of approved workers	320,565	309,412
New employer registrations approved	2,773	2,352
Total number of registered employers	29,260	34,375
Appeals to the Industry Committee	236	195
Contract Cleaning Industry		
Total number of approved workers	51,122	42,926
Total number of registered employers	746	794
Appeals to Industry Committee	0	0
Employer Reimbursement Claims	275	N/A
Claims with interstate service included	3	0
Activity Trend		
Inbound Helpline calls	86,088	96,273
Answered Helpline calls	78,962	87,288
Inbound via Post	41,658	47,235
Inbound via Website	3,365	3,580
Inbound via Email	18,900	12,648
Inbound via Fax	603	842
Outgoing Mail (post)	84,496	89,821
Manual Imaging (missing service etc)	7,365	8,594
Correspondence Imaging	6,427	7,535
Counter Queries (Gosford & Lidcombe)	1,560	1,821
BCI Claims Received	11,799	11,879
BCI Claims Processed	11,124	11,185

Table 1 – Volume of Inbound and Outbound work

The Building and Construction Industry Long Service Payments Committee

(Referred to as Industry Committee)

The Industry Committee is constituted under the *Building and Construction Industry Long Service Payments Act 1986*. It is an advisory and appellate body, consisting of ten part-time members appointed by the Minister and chaired by the Chief Executive Officer. The Industry Committee is empowered under Section 9 of the Act to advise on administration of the Act including matters concerning publicity, the investment of funds and the rate of the long service levy.

The Industry Committee decides appeals lodged against Corporation decisions to:

- Reject an application for registration in the scheme made on behalf of or by workers
- Cancel registrations of workers in the scheme
- Refuse service credits to registered workers

The Industry Committee also decides appeals lodged by levy payers in respect of:

- An assessment made of the amount of a long service levy due in respect of the erection 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.

This year the Industry Committee met on one occasion.

During the year the Committee continued to provide support and advice to the Corporation regarding amendments to the *Building and Construction Industry Long Service Payments Act 1986*. The Committee reviewed proposals for improvements in scheme administration for consideration by the Minister and potential future legislative change. Other matters included reviewing the Corporation's investment strategy, discussion on the Governance Review and the endorsement of Committee procedures.

Appeals

The Committee heard and gave consideration to 16 appeals from workers.

Sections 49-54 of the Act empower the Industry Committee to determine appeals lodged by workers, employers and levy payers in respect of certain Corporation decisions. Appeals are considered and determined on the basis of documentary evidence submitted by the parties involved. There were no new appeals lodged by levy payers however one appeal from the 2014 financial year is still under investigation and awaiting an outcome.

In May 2014, in accordance with the Act, the Corporation conducted a cancellation run. This related to workers with less than five years of service and where there were no records of service for at least four consecutive years. It also related to those workers whose registrations should not have been approved. Workers identified for cancellation received notification in March 2014. Appeals lodged as a result of the cancellation run were received in the 2014 financial year and heard in the 2015 financial year. As a result the Committee heard and determined 236 appeals in relation to cancellation.

BC Industry Committee

CHAIRPERSON

Vicki Telfer

BSc, DipEd, MPA, MALP, MAICD
Executive Director,
NSW Industrial Relations (NSWIR)

Meeting attendance: 1 out of 1

MEMBERS NOMINATED BY UNIONS NSW

Russ Collison

State Secretary,
Australian Workers Union NSW

Meeting attendance: 0 out of 1

Keryn McWhinney

Dip Ind Law
Senior Claims/Industrial Officer, Co-ordinator
Construction Forestry Mining Energy Union (CFMEU),
(Construction & General Division) NSW Branch

Meeting attendance: 0 out of 1

Dave McKinley

Union Official,
Electrical Trades Union of Australia

Meeting attendance: 0 out of 1

MEMBERS NOMINATED JOINTLY BY THE MASTER BUILDER'S ASSOCIATION OF NSW AND EMPLOYERS FIRST

Brian Seidler

B.Build
Executive Director,
Master Builders' Association of NSW

Meeting attendance: 1 out of 1

Dr John Elder

AM BBus,
MIR (Hons), PhD (Syd Univ), Dip IR

Meeting attendance: 1 out of 1

Steven Forster

Masters BA, LLB (Hons)
Manager, Workplace Relations with the Australian Federation of Employers & Industries

Meeting attendance: 1 out of 1

BC Industry Committee

MEMBERS DIRECTLY APPOINTED BY THE MINISTER

David Bare

BA Metallurgy (Materials Engineering), Business Management Certificate (General Management)
Executive Director, NSW – Housing Industry Australia

Meeting attendance: 0 out of 1

David Castledine

B. Eng, LL,B
Chief Executive Officer, Civil Contractors Federation

Meeting attendance: 0 out of 1

Mark Morey

BSW, MSW, LLB
Deputy Assistant Secretary, Unions NSW

Meeting attendance: 1 out of 1

Robyn Fortescue

BA
Assistant State Secretary, Unions NSW

Meeting attendance: 1 out of 1

DEPUTY MEMBERS NOMINATED BY UNIONS NSW

Terry Kesby

CFMEU Organiser
Director of CITAB
Member, Vocational Training Tribunal

Meeting attendance: 1 out of 1

Paul Noack

Dip Financial Planning
Australia Workers Union

Meeting attendance: 1 out of 1

Emma Maiden

BA Economics, Dip Law
Deputy Assistant Secretary Unions NSW

Meeting attendance: 1 out of 1

DEPUTY MEMBERS NOMINATED JOINTLY BY THE MASTER BUILDERS' ASSOCIATION OF NSW AND EMPLOYERS FIRST

Michelle Bass

JP, Dip Human Resources Management
Infrastructure Sector Service Manager
Master Builders Association of Australia

Meeting attendance: Not required to attend

Shona D'Arbon

B Law
Master Builders Association of Australia

Meeting attendance: Not required to attend

Beverley Glover

Dip Management
Secretary Industrial Relations and Safety
Master Builders Association of Australia

Meeting attendance: Not required to attend

DEPUTY MEMBERS DIRECTLY APPOINTED BY THE MINISTER

Melissa Howard

BA Commerce, Graduate Law
Executive Director Workplace Relations
Housing Industry Association

Meeting attendance: 1 out of 1

John Wade

BA Civil Engineering
President Civil Contractors Federation

Meeting attendance: Not required to attend

Emma Maiden

BA Economics, Dip Law
Deputy Assistant Secretary Unions NSW

Meeting attendance: Not required to attend in this capacity

Kate Minter

BA Social Science
Education Officer Unions NSW

Meeting attendance: Not required to attend

The Contract Cleaning Industry Long Service Leave Committee

(Referred to as Industry Committee)

The Industry Committee is constituted under the *Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010*. It is an advisory and appellate body, consisting of eight part-time members appointed by the Minister and chaired by the Chief Executive Officer. The Industry Committee is empowered under Section 9 of the Act. Its role is to advise on administration of the Act including matters concerning publicity, the investment of funds and the rate of the long service levy.

The Industry Committee decides appeals lodged by workers against Corporation decisions to:

- Reject an application for registration in the scheme made on behalf of or by workers
- Cancel registrations of workers in the scheme
- Apply a limitation to the minimum and maximum rates of pay used to claim.

Employer:

The Industry Committee also decides appeals lodged by employers against Corporation 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
- Refuse to grant an extension of time to pay a levy
- Refuse to waive or reduce interest on unpaid levies
- Make an assessment on an unpaid levy.

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

This year the Industry Committee met on one occasion.

During the year the Committee continued to provide support and advice to the Corporation regarding issues such as the review of statistical information relating to the timeliness of Employer Returns and suggestions on how to gain greater compliance from industry employers. Other significant issues included ways to improve the scheme education of both employers and employees within the industry particularly to those from non English speaking backgrounds and the review of Helpline inquiry statistics and FAQS.

Appeals

Sections 77-84 of the *Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010* empower the Contract Cleaning Industry Long Service Leave Committee to determine appeals lodged by workers and employers in respect of certain Corporation decisions. Appeals are considered and determined on the basis of documented evidence submitted by the parties involved. There were no appeals lodged this financial year.

CC Industry Committee

CHAIRPERSON

Vicki Telfer

BSc, DipEd, MPA, MALP, MAICD
Executive Director NSW Industrial Relations (NSWIR)

Meeting attendance: 1 out of 1

MEMBERS NOMINATED BY UNIONS NSW

Emma Maiden

BA Economics, Dip Law
Deputy Assistant Secretary Unions NSW

Meeting attendance: 1 out of 1

Georgia Potter-Butler

LLB/BA Barrister and Solicitor NZ
Industrial Officer, United Voice NSW

Meeting attendance: 1 out of 1

MEMBERS NOMINATED BY UNITED VOICE

Mark Boyd

Secretary, United Voice

Meeting attendance: 1 out of 1

Mel Gatfield

BA Industrial Relations/Political Science
Assistant Secretary, United Voice NSW

Meeting attendance: 1 out of 1

MEMBERS NOMINATED BY THE BUILDING SERVICE CONTRACTORS ASSOCIATION OF AUSTRALIA (BSCAA)

Ravindra Naidoo

BA Economics, CPA
Financial Controller Quad Services

Meeting attendance: 1 out of 1

Barbara Connolly

BA
Executive Director BSCAA

Meeting attendance: 1 out of 1

CC Industry Committee

MEMBERS NOMINATED BY THE AUSTRALIAN CLEANING CONTRACTORS' ALLIANCE (ACCA)

John Laws

Cert IV Assessment, Cert IV Finance Broking
Executive Director ACCA

Meeting attendance: 1 out of 1

Natalie Stephens

General Manager/Director Procare Property Services, Vice President ACCA

Meeting attendance: 1 out of 1

DEPUTY MEMBERS NOMINATED BY UNIONS NSW

Maryloiuse Yaager

Executive Officer Unions NSW

Meeting attendance: Not required to attend

Kate Minter

BA Social Science
Research and Campaigns Officer Unions NSW

Meeting attendance: Not required to attend

DEPUTY MEMBERS NOMINATED BY UNITED VOICE

Peter Campise

Assistant Secretary United Voice

Meeting attendance: Not required to attend

Ben Donnelly

BA Sociology
Lead Organiser United Voice

Meeting attendance: Not required to attend

DEPUTY MEMBERS NOMINATED BY THE BUILDING SERVICE CONTRACTORS ASSOCIATION OF AUSTRALIA (BSCAA)

Aimee Bleasdale

General Manager Administration B.I.C Services

Meeting attendance: Not required to attend

Adam Atkin

NSW State Manager OSC

Meeting attendance: Not required to attend

DEPUTY MEMBERS NOMINATED BY THE AUSTRALIAN CLEANING CONTRACTORS' ALLIANCE (ACCA)

Debbie Delimitros

Contract and Compliance Office Manager ACCA

Meeting attendance: Not required to attend

Kay Halliday

Starlight Commercial Pty Ltd

Meeting attendance: Not required to attend

Good Governance

INSURANCES AND RISK MANAGEMENT

INSURANCE

The Long Service Corporation has insurance in place to cover all its assets and major risks.

Its insurance policies include workers compensation, building contents (including office equipment), motor vehicles and public liability. These policies are with the NSW Government's self-insurance scheme, the Treasury Managed Fund.

To minimise the likelihood and impact of workplace injury, the Corporation's workers compensation risks are actively managed with pre-emptive workplace inspections, early intervention and a Work Health & Safety Committee.

The Treasury Managed Fund Premium Incentive Scheme encourages effective risk management.

Agencies that manage risk will receive lower premiums, while those with poor risk management are penalised. In 2014/2015, as a result of the effective management of risk, the Corporation secured an incentive adjustment (refund of premium) through the Treasury Managed Fund. The adjustment is retrospective so the 2014/2015 adjustment refers to risk management in 2009/2011 years for worker compensation and 2010/2011 for motor vehicles.

AUDIT AND RISK MANAGEMENT

The Corporation maintains a dynamic risk based approach to managing its business and internal audit activities. It has a strategic and risk based focus and provides an audit presence in its three core business function areas.

The 2014/2015 report from the Corporation's Audit and Risk Management Committee is presented on pages 23 - 25. It is followed by the CEO/ Secretary's disclosure statement for the year.

Highlights for the Corporation from an audit and risk perspective during the year included:

- The Corporation's Audit and Risk Committee continued to meet during the year with one member being reappointed upon expiration of their tenure.
- EY continued as the Treasury appointed provider of internal audit services to the Corporation.
- EY finalised an Assurance Mapping Process to identify how Strategic and Operational risks were being mitigated and they also completed phase 1 of the IT Security review.
- Two other reviews by EY commenced during the year: phase 2 of the IT Security review incorporating penetration testing of two core business systems, and the commencement of a review on Fraud Risk and Corruption Control Measures.
- The Corporation continued to share the services of Treasury's Chief Audit Executive and Internal Audit Program Manager.
- A tender process began for internal audit services.

Good Governance

INTERNAL AUDIT AND RISK MANAGEMENT STATEMENT FOR THE 2014/2015 FINANCIAL YEAR FOR NSW LONG SERVICE CORPORATION

I, Robert Whitfield, Chief Executive Officer am of the opinion that the Long Service Corporation has internal audit and risk management processes in operation that are, excluding the exception described below, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 Internal Audit and Risk Management Policy.

I am of the opinion that the internal audit and risk management processes for the Long Service Corporation depart from the following core requirement set out in Treasury Circular NSW TC 09/08 and that (a) the circumstances giving rise to this departure have been determined by the Portfolio Minister and (b) the Long Service Corporation has implemented the following practicable alternative measures that will achieve a level of assurance equivalent to the requirement:

MINISTERIALLY DETERMINED DEPARTURE	REASON FOR DEPARTURE AND DESCRIPTION OF PRACTICABLE ALTERNATIVE MEASURES IMPLEMENTED
Core Requirement 1 The Chief Audit Executive should be appointed from within the agency by the Department Head	- Long Service Corporation shares a single Chief Audit Executive with NSW Treasury. - This enables it to employ a more senior officer in this role than would otherwise be possible, and provides a strong link back to the Secretary (Long Service Corporation's CEO) in consideration of risk. For the CEO, it provides a level of oversight to compensate for LSC's geographic distance. - The Corporation has its own Audit and Risk Committee, with no members in common with Treasury's, to provide independent advice to the Secretary. The Committee is managed by LSC staff.

The processes in place, including the practicable alternative measures implemented, provide a level of assurance that enables the senior management of the Long Service Corporation to understand, manage and satisfactorily control risk exposures. As required by the policy set out in TC 09/08, I have submitted to the Treasury, on behalf of the Treasurer, an Attestation Statement outlining compliance with and exceptions to the policy.

Rob Whitfield
Chief Executive Officer,
27 October 2015

Good Governance

DIGITAL INFORMATION SECURITY POLICY (DISP) COMPLIANCE ATTESTATION STATEMENT FOR THE 2014/2015 FINANCIAL YEAR

I, Rob Whitfield, Chief Executive Officer, am of the opinion that the NSW Long Service Corporation has an Information Security Management System which is consistent with the minimum Core Requirements set out in the Digital Information Security Policy for the NSW Public Sector.

I, Rob Whitfield, Chief Executive Officer, am of the opinion that security controls are in place to mitigate identified risks to the digital information content and digital information systems of the Long Service Corporation. A comprehensive internal audit of information security was undertaken in 2014/2015. The Long Service Corporation is implementing the short and longer-term recommendations of this audit to improve the operating effectiveness of the controls.

I, Rob Whitfield, Acting Chief Executive Officer, am of the opinion that, in accordance with the Digital Information Security Policy for the NSW Public Sector, the Long Service Corporation is not required to have certified compliance with AS/NZS ISO/IEC 27001 Information technology - Security techniques - Information security management systems – Requirements.

Rob Whitfield
Chief Executive Officer
27 October 2015

Financial Performance Summary

REVENUE AND EXPENSES

During the financial year, revenue from all sources amounted to $239.0 million, whilst expenditure amounted to $132.6 million. This resulted in a net result of $106.5 million.

The actual net result was greater than budget by $98.6 million, primarily due to the following:

	$'000
• Increased return on TCorp Hour-Glass investment facilities, including LSCIFT	36,845
• Increased collection of levies from both Schemes	44,870
• Decreased Finance cost due to unwinding of discount rate	1,216
• Decreased Long service expense	15,726
• Decreased Personnel services expense	35
• Increased other expenses	(58)
	98,634

BUDGET FORECAST AND RESULT	Actual 2014/2015 $'000	Budget 2014/2015 $'000	Budget 2015/2016 $'000
Expenses excluding losses			
Operating expenses			
Personnel services	7,514	7,459	7,481
Other operating expenses	68,151	84,541	91,827
Depreciation and amortisation	233	1,134	165
Finance costs	56,684	57,900	61,837
TOTAL EXPENSES EXCLUDING LOSSES	**132,582**	**151,034**	**161,310**
Revenue			
Investment revenue	94,436	57,561	71,055
Retained taxes, fees and fines	144,498	101,264	111,610
Other revenue	112	54	92
Total Revenue	**239,046**	**158,879**	**182,757**
Gain/(loss) on disposal	15	-	-
NET RESULT	**106,479**	**7,845**	**21,447**

FINANCIAL TRENDS	Actual 2010/2011 $'000	Actual 2011/2012 $'000	Actual 2012/2013 $'000	Actual 2013/2014 $'000	Actual 2014/2015 $'000
Expenses excluding losses					
Operating expenses					
Personnel services	5,022	12,448	3,370	6,779	7,514
Other operating expenses	67,923	82,362	126,646	66,623	68,151
Depreciation and amortisation	586	641	226	224	233
Finance costs	29,812	61,211	(31,952)	53,416	56,684
TOTAL EXPENSES EXCLUDING LOSSES	**103,343**	**156,662**	**98,290**	**127,042**	**132,582**
Revenue					
Investment revenue	45,749	(2,989)	121,652	97,659	94,436
Retained taxes, fees and fines	84,136	80,193	110,883	121,374	144,498
Other revenue	530	2	18	87	112
Total Revenue	**130,415**	**77,206**	**232,553**	**219,120**	**239,046**
Gain/(loss) on disposal	2	4	-	-	15
NET RESULT (DEFICIT)SURPLUS	**27,074**	**(79,452)**	**134,263**	**92,078**	**106,479**

FINANCIAL POSITION

The principal assets continue to be investments of $999.0 million in TCorp Long Term Growth Facility and the principal liabilities are the estimates for the Provision for Scheme Liabilities of $ 868.3 million as assessed by actuarial consultants. Equity improved significantly by $106.5 million from an accumulated funds of $87.0 million at 30 June 2014 to accumulated funds of $193.4 million as at 30 June 2015. Please refer to Note 15 to the Financial Statements for details of significant non cash gains affecting this year's result.

INVESTMENTS

The Corporation invested its funds in the "Long Term Growth" Long Service Corporation Facilities Trust and "Cash" Hour-Glass Investment Facility Trust administered by NSW Treasury Corporation (TCorp) utilising external managers under contract to TCorp.

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

	BALANCE ON HAND AS AT		INVESTMENT PERFORMANCE		BENCH MARK
FUND CATEGORIES	30 JUNE 2014 $'000	30 JUNE 2015 $'000	INCOME $'000	RETURN %	RETURN %
Long term growth	830,089	999,078	92,189	11.10%	10.90%
Cash	450	462	12	2.70%	3.00%
TOTAL	830,539	999,540	92,201		

ACCOUNTS PAYABLE PERFORMANCE

Aged analysis at end of each quarter		Current (within due date) $'000	Less than 30 days overdue $'000	Between 30 and 60 days overdue $'000	Between 61 and 90 days overdue $'000	More than 90 days overdue $'000
All suppliers						
	Sep-14	392,023	-	-	-	-
	Dec-14	626,283	-	-	-	-
	Mar-15	294,977	-	-	-	-
	Jun-15	383,869	-	-	-	-
Small business suppliers						
	Sep-14	21,532	-	-	-	-
	Dec-14	23,478	-	-	-	-
	Mar-15	16,175	-	-	-	-
	Jun-15	25,001	-	-	-	-

Note: Although Small business registration with the Corporation commenced in January 2012 in accordance with NSWTC 11/12, payments have been tracked from July 2011. A small business is defined as an Australian or New Zealand business with annual turnover of less than $2 Million dollars.

Accounts due or paid within each quarter

Measure	Sep-14	Dec-14	Mar-15	Jun-15
All suppliers				
Number of accounts due for payment	235	219	175	341
Number of accounts paid on time	235	219	175	341
Actual percentage of accounts paid on time (based on number of accounts)	100%	100%	100%	100%
Dollar amount of accounts due for payment	392,023	626,283	294,977	383,869
Dollar amount of accounts paid on time	392,023	626,283	294,977	383,869
Actual percentage of accounts paid on time (based on $)	100%	100%	100%	100%
Number of payments for interest on overdue accounts	Nil	Nil	Nil	Nil
Interest paid on overdue accounts	Nil	Nil	Nil	Nil
Small business suppliers				
Number of accounts due for payment	49	41	42	46
Number of accounts paid on time	49	41	42	46
Actual percentage of accounts paid on time (based on number of accounts)	100%	100%	100%	100%
Dollar amount of accounts due for payment	21,532	23,478	16,175	25,001
Dollar amount of accounts paid on time	21,532	23,478	16,175	25,001
Actual percentage of accounts paid on time (based on $)	100%	100%	100%	100%
Number of payments for interest on overdue accounts	Nil	Nil	Nil	Nil
Interest paid on overdue accounts	Nil	Nil	Nil	Nil

Commentary

The Corporation has a policy of payments to all suppliers within 14 days from receipt of a correctly rendered invoice. This is better than the Government directive of 30 days per NSWTC11/12.

The Corporation has not been required to make interest payments to small business in the financial year.

Long Service Corporation Financial Statements

LONG SERVICE CORPORATION

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

STATEMENT BY CHIEF EXECUTIVE OFFICER
LONG SERVICE CORPORATION

Under Section 41C of the *Public Finance and Audit Act, 1983*, I state that in my opinion:

The accompanying financial statements and notes thereto exhibit a true and fair view of the financial position and financial performance of the Long Service Corporation as at 30 June 2015.

The financial statements have been prepared in accordance with the provisions of applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the *Public Finance and Audit Act* 1983, the *Public Finance and Audit Regulation*, 2010 and the Treasurer's Directions.

Further, I am not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

Dr. Caralee McLiesh
Acting Secretary NSW Treasury
Chief Executive Office, Long Service Corporation

Dated 17 September 2015 at Sydney

INDEPENDENT AUDITOR'S REPORT

Long Service Corporation

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Long Service Corporation (the Corporation), which comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Corporation as at 30 June 2015, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

The Chief Executive Officer's Responsibility for the Financial Statements

The Chief Executive Officer is responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Level 15, 1 Margaret Street, Sydney NSW 2000 | GPO Box 12, Sydney NSW 2001 | **t** 02 9275 7101 | **f** 02 9275 7179 | **e** mail@audit.nsw.gov.au | **audit.nsw.gov.au**

My opinion does *not* provide assurance:

- about the future viability of the Corporation
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence 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, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

A Oyetunji
Director, Financial Audit Services

18 September 2015
SYDNEY

Financial Statements
For the year ended 30 June 2015

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Actual 2015 $'000	Budget 2015 $'000	Actual 2014 $'000
Expenses excluding losses				
Operating expenses				
Personnel services expense	2(a)	7,514	7,459	6,779
Other operating expenses	2(b)	68,151	84,541	66,623
Depreciation and amortisation	2(c)	233	1,134	224
Finance costs	2(d)	56,684	57,900	53,416
TOTAL EXPENSES EXCLUDING LOSSES		**132,582**	**151,034**	**127,042**
Revenue				
Investment revenue	3(a)	94,436	57,561	97,659
Retained taxes, fees and fines	3(b)	144,498	101,264	121,374
Other revenue	3(c)	112	54	87
Total Revenue		**239,046**	**158,879**	**219,120**
Gain/(loss) on disposal	4	15	-	-
NET RESULT		106,479	7,845	92,078
Other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME		**106,479**	**7,845**	**92,078**

The accompanying notes form part of these financial statements.

Financial Statements
For the year ended 30 June 2015

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Notes	Actual 2015 $'000	Budget 2015 $'000	Actual 2014 $'000
ASSETS				
Current Assets				
Cash and cash equivalents	5	65,714	40,601	74,292
Receivables	6	7,989	7,783	7,942
Total Current Assets		**73,703**	**48,384**	**82,234**
Non-Current Assets				
Financial assets at fair value	7	999,078	912,114	830,089
Property, plant and equipment				
- Plant and equipment	8	164	273	338
Intangible assets	9	141	1,964	73
Total Non-Current Assets		**999,383**	**914,351**	**830,500**
Total Assets		**1,073,086**	**962,735**	**912,734**
LIABILITIES				
Current Liabilities				
Payables	11	1,705	2,694	602
Provisions	12	573,786	562,758	523,847
Total Current Liabilities		**575,491**	**565,452**	**524,449**
Non-Current Liabilities				
Provisions	12	304,154	324,348	301,323
Total Non-Current Liabilities		**304,154**	**324,348**	**301,323**
Total Liabilities		**879,645**	**889,800**	**825,772**
Net Assets		**193,441**	**72,935**	**86,962**
EQUITY				
Accumulated Funds		193,441	72,935	86,962
Total Equity		**193,441**	**72,935**	**86,962**

The accompanying notes form part of these financial statements.

Statement of changes in equity

Statement of changes in equity for the year ended 30 JUNE 2015

	Accumulated Funds $'000
Balance at 1 July 2014	**86,962**
Change in accounting policy	**-**
Restated total equity at 1 July 2014	**86,962**
Net result for the year	**106,479**
Other comprehensive income:	
Total other comprehensive income for the year	**-**
Total comprehensive income for the year	**106,479**
Balance at 30 June 2015	**193,441**
Balance at 1 July 2013	(4,245)
Change in accounting policy	(871)
Restated total equity at 1 July 2013	(5,116)
Net result for the year	92,078
Other comprehensive income:	-
Total other comprehensive income for the year	-
Total comprehensive income for the year	92,078
Balance at 30 June 2014	86,962

The accompanying notes form part of these financial statements.

Statement of cash flows

Statement of cash flows for the year ended 30 JUNE 2015

	Notes	Actual 2015 $'000	Budget 2015 $'000	Actual 2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel services		(6,990)	(7,465)	(7,026)
Other		(72,451)	(89,574)	(73,138)
Total Payments		**(79,441)**	**(97,039)**	**(80,164)**
Receipts				
Interest received		1,921	1,286	2,654
Retained taxes, fees and fines		144,828	101,988	118,755
Other		1,026	843	2,164
Total Receipts		**147,775**	**104,117**	**123,573**
NET CASH FLOWS FROM OPERATING ACTIVITIES	17	**68,334**	**7,078**	**43,409**
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of plant and equipment		18	7	-
Purchases of plant and equipment		(56)	(49)	(47)
Purchases of investments		(76,800)	(34,017)	(30,000)
Other		(74)	(2,749)	(73)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(76,912)**	**(36,808)**	**(30,120)**
NET INCREASE/(DECREASE) IN CASH		**(8,578)**	**(29,730)**	**13,289**
Opening cash and cash equivalents		74,292	70,331	61,003
CLOSING CASH AND CASH EQUIVALENTS	5	**65,714**	**40,601**	**74,292**

The accompanying notes form part of these financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2015

Notes to the financial statements

1. *Summary of Significant Accounting Policies*

(a) Reporting entity

The Long Service Corporation is a NSW government entity. The Corporation is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The Corporation is consolidated as part of the NSW Total State Sector Accounts, which comply with Australian Accounting Standards.

The Corporation has its principal office at 19-21 Watt 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.

The Corporation holds 100% of units issued by the Long Service Corporation Investment Facility Trust (LSCIFT), an Hour-Glass investment facility managed by the New South Wales Treasury Corporation (TCorp) at its principal office at Level 22, Governor Phillip Tower, 1 Farrer Place, Sydney. The Corporation controls the LSCIFT, making the Corporation a parent entity for reporting purposes.

Financial statements for the year ended 30 June 2015 have been authorised for issue by the Chief Executive Officer on 17 September 2015.

(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 (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2010,* and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

The Corporation's financial statements are separate financial statements in accordance with AASB 127 'Separate Financial Statements'. The Corporation has applied the exemption from producing consolidated financial statements available under paragraphs 4(a) and Aus4.1 of AASB 10 'Consolidated Financial Statements'.

The Corporation accounts for its investment in its subsidiary, the 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.

Plant and equipment, and financial assets at 'fair value through profit or loss' are measured at fair value. 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.

(c) Statement of compliance

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

(d) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit general government sector entities.

(e) Insurance

The entity's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claim experience.

(f) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that the:

- amount of GST incurred by the entity as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(g) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Investment Revenue

New South Wales Treasury Corporation (TCorp) administers the Corporation's investment funds through its Hour-Glass Investment Facilities. Investment income comprises interest and changes in the unit value of the Corporation's investments in TCorp Hour-Glass investment facilities, including the LSCIFT.

Interest income is recognised using the effective interest method as set out in *AASB 139* Financial Instruments: Recognition and Measurement.

(ii) Retained taxes, fees and fines

Long service levy income

In relation to the Building and Construction Industry a levy is applied at the rate of 0.35% on the cost of building and construction of $25,000 or above. Long Service Levy income is recognised when it is received or receivable by the Corporation or the Local Government Councils acting in their capacity as agents.

In relation to the Contract Cleaning Industry, a levy is applied at the rate of 1.7% 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.

(iii) Other Revenue

Other revenue consists of miscellaneous income that is recognised as it accrues.

(h) Assets

(i) Acquisitions of assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. deferred payment amount is effectively discounted over the period of credit.

(ii) Capitalisation thresholds

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

(iii) 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 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement and* AASB 116 *Property, Plant and Equipment*.

Plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer Note 10 for further information regarding fair value.

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

(iv) 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. As property, 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. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets for not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

(v) Depreciation of plant and equipment

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

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

Motor vehicles and plant and equipment are depreciated over five years and computer equipment is depreciated over three years. The Corporation's leasehold improvements are considered to have a useful life equivalent to the un-expired period of the lease.

(vi) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(vii) Leased assets

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Existing operating leases relate to leasing premises at 19-21 Watt Street, Gosford, 12 Railway Street, Lidcombe and small items of plant and equipment.

The Corporation is not a party to any finance lease.

(viii) Intangible assets

The entity recognises intangible assets only if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the entity's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

The entity's intangible assets which comprise computer software are amortised using the straight line method over a period of three or five years.

Intangible assets are tested for impairment where an indicator of impairment exists. 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.

(ix) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost, or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(x) Investments

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs. The entity determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

Fair value through profit or loss - The entity subsequently measures investments classified as 'held for trading' or designated upon initial recognition 'at fair value through profit or loss' at fair value. Financial assets are classified as 'held for trading' if they are acquired for the purpose of selling in the near term. Gains or losses on these assets are recognised in the net result for the year.

With the exception of the LSCIFT, Hour-Glass Investment Facilities are designated at fair value through profit or loss using the second leg of the fair value option under AASB 139.9(b)(ii); i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the entity's key management personnel.

The risk management strategy of the Corporation has been developed consistent with the investment powers granted under the provision of the *Public Authorities (Financial Arrangements) Act 1987 No 33.*

The accounting treatment applied to the LSCIFT Hour-Glass investment facility described in Note 1(b) is effectively the same as that applied to other Hour-Glass investment facilities, that is, carried at fair value with movements in fair value recognised in profit or loss.

Hour-Glass cash facilities are distinct from Hour-Glass investment facilities.

The movement in the fair value of the Hour-Glass investment facilities, including LSCIFT, incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

Purchases or sales of investments under contract that require delivery of the asset within the timeframe established by convention or regulation are recognised on the trade date; i.e. the date the entity commits to purchase or sell the asset.

The fair value of investments that are traded at fair value in an active market is determined by reference to quoted current bid prices at the close of business on the statement of financial position date.

(xi) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

(xii) De-recognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the entity transfers the financial asset:

• where substantially all the risks and rewards have been transferred or

• where the entity has not transferred substantially all the risks and rewards, if the entity has not retained control.

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

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(xiii) Other Assets

Other assets are recognised on a historic cost basis.

(i) Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the entity and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(ii) Provision for Scheme Liabilities

The liability is determined by annual actuarial valuation. The assumptions used in arriving at that valuation are set out in note 12(b).

Finance costs

Scheme liabilities are valued using AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, which provides that the increase in a provision resulting from the unwinding of the discount rate is to be recognised as a borrowing cost.

(iii) Provision for Levy Refund

The liability is determined from assumptions based on past experience of the Corporation's levy refunds resulting from requests for determination of the leviable costs.

(iv) Personnel Services

The Corporation's staff were provided by NSW Treasury. Administration of payroll and human resources was provided by WorkCover Authority for the full year.

Neither WorkCover Authority nor NSW Treasury are Special Purpose Service Entities and are not controlled by the Corporation under the arrangement. In accordance with NSW Treasury Circular 15/07 "Financial Reporting and Annual Reporting Requirements arising from personnel service arrangements", a liability representing the total amount payable to NSW Treasury is recognised in the Statement of Financial Position.

As the Corporation is not the employer, the disclosure requirements of AASB 119 *Employee Benefits* in respect of employee benefits do not apply. However, for clarity and transparency, the Personnel Services Provision is disaggregated in the notes to the financial statements into its major components which include Recreation Leave, Long Service Leave and Unfunded Superannuation.

(a) Salaries and wages, recreation leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amount of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Corporation has assessed the actuarial advice based on the Corporations circumstances and has determined that the effect of discounting is immaterial to annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

(b) Long service leave and superannuation

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits* . This is based on the application of certain factors (specified in NSWTC 15/09) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the financial year is determined by using the formula specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' contributions.

(c) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

(j) Fair value hierarchy

A number of the Corporation's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. 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 *Fair Value Measurement* , the Corporation categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted 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 fair value hierarchy at the end of the reporting period during which the change occurred.

Refer Note 10 and Note 19(e) for further disclosures regarding fair value measurements of financial and non-financial assets.

(k) Equity

Accumulated Funds

The category 'Accumulated Funds' includes all current and prior period retained funds and losses.

(l) Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period, amendments to the original budget (e.g. adjustments for transfers of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budget amounts and the actual amounts disclosed on the primary financial statements are explained in Note 15.

(m) Comparative information

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

(n) Going Concern

The Corporation has adopted the going concern basis, as it is cash flow positive and has adequate resources to pay its liabilities as and when they become payable. In addition to this the Government has the ability to alter the levy rates and legislation in order to increase revenue streams.

An actuarial update was conducted by Professional Financial Solutions in June 2015. The update estimates that the Corporation will remain in surplus in the forward years.

(o) Changes on accounting policies, including new and revised Australian Accounting Standards

(i) Effective for the first time in 2014-15

The Corporation has adopted all new, revised or amended Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant and effective for the current reporting year.

The adoption of these Standards and Interpretations did not have any impact on the financial performance or position of the Corporation.

Any impacts on the accounting policies of the Corporation from the adoption of these accounting standard and interpretations are disclosed in the relevant accounting policy.

- AASB 10 Consolidated Financial Statements
- AASB 127 Separate Financial Statements
- AASB 1031 Materiality
- AASB 1055 and AASB 2013-1 regarding budgetary reporting

(ii) Issued but not yet effective

Certain new standards and interpretations have recently been issued or amended but are not yet effective for the current reporting year. It is considered impracticable to presently determine the impact of adopting those new standards and interpretations

The following new Accounting Standards have not been applied and are not yet effective:

- AASB 9, AASB 2010-7, AASB 2013-9 (Part C), AASB 2014-1 (Part E), AASB 2014-7 and AASB 2014-8 regarding financial instruments.
- AASB 2015-1 regarding annual improvements to Australian Accounting Standards 2012-2014 cycle
- AASB 101 disclosure initiatives
- AASB 2015-3 regarding materiality

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2015

2. *Expenses Excluding Losses*

(a) Personnel services expenses

The Corporation received personnel services from NSW Treasury to resource the Corporation. The Corporation recognises the relevant employee related expenses associated with this arrangement as follows:

	Notes	2015 $'000	2014 $'000
Salaries and wages (including annual leave)		**5,868**	5,594
Salaries - voluntary redundancy		**3**	2
Superannuation – defined benefit plans *		**474**	210
Superannuation – defined contribution plans		**468**	409
Long service leave		**325**	244
Payroll tax and fringe benefits tax		**363**	303
Other expenses		**13**	17
Total Personnel services expense		**7,514**	6,779

	2015	2014
* Superannuation – defined benefit plans		
Defined benefit plans – contributions	**243**	276
Defined benefit plans – liability adjustments	**231**	(66)
Total Superannuation – defined benefit plans	**474**	210

Superannuation net actuarial loss of $1.4 million ($1.1 m loss 2013-14) in respect of personnel who are members of defined benefit superannuation plans, are recognised directly in the Net Result. The actuarial gain was impacted by an decrease in the discount rate used to determine the present value of the defined benefit obligations. The rate decreased from 3.57% at 30 June 2014 to 3.01% at 30 June 2015.

(b) Other operating expenses including the following:

	Notes	2015 $'000	2014 $'000
Auditors remuneration - audit of financial statements		**77**	80
Long service expense			
Claims paid		**69,419**	68,047
Liability expense		**(4,428)**	(4,594)
	12 (b)	**64,991**	63,453
Operating lease rental expense			
- minimum lease payment		**353**	352
Insurance		**10**	11
Consultants		**167**	180
Contractors		**103**	174
Computing		**730**	626
Marketing		**89**	110
Travel		**33**	33
Occupancy - outgoings, electricity, cleaning and maintenance		**155**	156
Long service levy commissions		**497**	495
Service agreements		**169**	166
Other administrative expenses		**777**	787
Total other operating expenses		**68,151**	66,623

(c) Depreciation and amortisation expense

Depreciation		
- Plant and equipment	**7**	20
- Computer equipment	**64**	46
- Motor vehicles	**18**	19
- Leasehold improvements	**138**	137
	227	222
Amortisation		
- Computer software	**6**	2
	6	2
Total depreciation and amortisation expense	**233**	224

(d) Finance costs

	Notes	2015 $'000	2014 $'000
Unwinding of discount rate	12 (b)	**56,684**	53,416
		56,684	53,416

Refer Note 12(b)(i) for detail on changes to the discount rate used for the 2015 and 2014 years.

3. *Revenue*

(a) Investment revenue

Interest revenue from financial assets not at fair value through profit or loss - Bank interest	**2,235**	2,641
Interest revenue from financial assets not at fair value through profit or loss - TCorp cash facility	**12**	13
Fair value movements from financial assets at fair value - TCorp Hour-Glass investment facilities, including LSCIFT	**92,189**	95,005
	94,436	97,659

(b) Retained taxes, fees and fines

Long service levy income	**146,784**	122,640
Long service levy refunds	**(2,286)**	(1,266)
	144,498	121,374

(c) Other revenue

Miscellaneous income	**112**	87
	112	87

4. *Gain / (Loss) on disposal*

Gain / (Loss) on disposal of plant and equipment	**15**	-
	15	-

5. *Current Assets - Cash and Cash Equivalents*

Cash at bank and on hand	**65,252**	73,842
Short Term Deposit		
TCorp Hour-Glass cash facility	**462**	450
	65,714	74,292

For the purpose of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short deposits at banks and in the TCorp Hour-Glass cash facility.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

	2015	2014
	$'000	$'000
Cash and cash equivalents (per statement of financial position)	**65,714**	74,292
Closing Cash and cash equivalents (per statement of cash flows)	**65,714**	74,292

Refer Note 19 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

6. ***Current Assets - Receivables***

Current		
Retained taxes, fees and fines	**7,471**	7,734
Other	**439**	114
Less: Allowance for impairment	**(33)**	(10)
Prepayments	**112**	104
	7,989	7,942

Movement in the allowance for impairment		
Balance at 1 July	**(10)**	(10)
Amounts written off during the year	**1**	13
(Increase) / decrease in allowance recognised in profit and loss	**(24)**	(13)
Balance at 30 June	**(33)**	(10)

Refer Note 19 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

7. ***Non-Current Assets - Financial Assets at Fair Value***

Non-Current		
TCorp - Hour-Glass investment facility trust - LSCIFT	**999,078**	830,089
	999,078	**830,089**

Refer Note 19 for further information regarding fair value measurement, credit risk, liquidity risk and market risk arising from financial instruments.

8. *Non-Current Assets - Plant and Equipment*

	Plant and Equipment	Leasehold Improvements	Computer Equipment	Motor Vehicles	Total
	$'000	$'000	$'000	$'000	$'000
At 1 July 2014 - fair value					
Gross carrying amount	**337**	**1,122**	**191**	**110**	**1,760**
Accumulated depreciation and impairment	**(318)**	**(950)**	**(75)**	**(79)**	**(1,422)**
Net carrying amount	**19**	**172**	**116**	**31**	**338**
At 30 June 2015 - fair value					
Gross carrying amount	**336**	**1,122**	**210**	**99**	**1,767**
Accumulated depreciation and impairment	**(324)**	**(1,088)**	**(138)**	**(53)**	**(1,603)**
Net carrying amount	**12**	**34**	**72**	**46**	**164**

Reconciliation

A reconciliation of the carrying amount of each class of plant and equipment at the beginning and end of the current reporting period is set out below:

	Plant and Equipment	Leasehold Improvements	Computer Equipment	Motor Vehicles	Total
Year ended 30 June 2015					
Net carrying amount at start of year	**19**	**172**	**116**	**31**	**338**
Additions		**-**	**20**	**36**	**56**
Disposals	**-**	**-**	**-**	**(48)**	**(48)**
Adjustments for disposals	**-**	**-**	**-**	**45**	**45**
Depreciation expense	**(7)**	**(138)**	**(64)**	**(18)**	**(227)**
Net carrying amount at end of year	**12**	**34**	**72**	**46**	**164**

	Plant and Equipment	Leasehold Improvements	Computer Equipment	Motor Vehicles	Total
At 1 July 2013 - fair value					
Gross carrying amount	337	1,122	164	110	1,733
Accumulated depreciation and impairment	(298)	(813)	(49)	(60)	(1,220)
Net carrying amount	39	309	115	50	513
At 30 June 2014 - fair value					
Gross carrying amount	337	1,122	191	110	1,760
Accumulated depreciation and impairment	(318)	(950)	(75)	(79)	(1,422)
Net carrying amount	19	172	116	31	338

Reconciliation

A reconciliation of the carrying amount of each class of plant and equipment at the beginning and end of the previous reporting period is set out below:

	Plant and Equipment $'000	Leasehold Improvements $'000	Computer Equipment $'000	Motor Vehicles $'000	Total $'000
Year ended 30 June 2014					
Net carrying amount at start of year	39	309	115	50	513
Additions	-	-	47	-	47
Disposals	-	-	-	-	-
Adjustments for disposals	-	-	-	-	-
Depreciation expense	(20)	(137)	(46)	(19)	(222)
Net carrying amount at end of year	19	172	116	31	338

Further details regarding the fair value measurement of plant and equipment are disclosed in Note 10.

9. *Intangible Assets*

Software

	$'000
At 1 July 2014	
Cost (gross carrying amount)	**2,349**
Accumulated amortisation and impairment	**(2,276)**
Net carrying amount	**73**
At 30 June 2015	
Cost (gross carrying amount)	**2,423**
Accumulated amortisation and impairment	**(2,282)**
Net carrying amount	**141**
Year ended 30 June 2015	
Net carrying amount at start of year	**73**
Additions - externally acquired	**74**
Amortisation	**(6)**
Net carrying amount at end of year	**141**

	$'000
At 1 July 2013	
Cost (gross carrying amount)	2,276
Accumulated amortisation and impairment	(2,274)
Net carrying amount	2
At 30 June 2014	
Cost (gross carrying amount)	2,349
Accumulated amortisation and impairment	(2,276)
Net carrying amount	73
Year ended 30 June 2014	
Net carrying amount at start of year	2
Additions - externally acquired	73
Disposals	-
Adjustments for disposals	-
Amortisation	(2)
Net carrying amount at end of year	73

10. *Fair value measurement of Non-Financial Assets*

Valuation techniques, inputs and processes

All of the Corporation's Plant and Equipment assets are measured at historical cost less accumulated depreciation as a surrogate for fair value because the assets are non-specialised assets and any difference between fair value and depreciated historical cost is unlikely to be material.

The fair value measurement base for these assets do not require fair value hierarchy disclosure.

11. ***Current Liabilities - Payables***

	2015	2014
	$'000	$'000
Current		
Personnel Services		
- Accrued salaries, wages and on costs	**265**	188
	265	188
Creditors and other accruals	**407**	187
Long Service Payments	**982**	182
Long Service Levy commissions	**51**	45
	1,705	602

Refer Note 19 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

12. ***Current / Non-Current Liabilities - Provisions***

Current	**Note**		
Other Provisions			
Personnel services			
- Annual leave *		**630**	609
- Long service leave **		**2,421**	2,133
	12(a)(i)	**3,051**	2,742
Scheme liability ***	12(b)(i)	**570,530**	520,967
Provision for levy refund	12(c)(i)	**205**	138
		570,735	521,105
		573,786	523,847

* The current Other Provisions Personnel services included $87,153 (2014: $70286) of annual leave entitlements accrued but not expected to be taken within 12 months

** The current Other Provisions Personnel services included $1.3 million (2014: $1.9 million) of long service leave entitlements accrued but not expected to be taken within 12 months

*** The current Other Provisions includes $570.0 million (2014: $521.0 million) for scheme liability and although this amount represents the value for which the Corporation does not have an unconditional right to defer settlement for at least twelve months, the Corporation only expects to pay claims of $77.3 million over the next twelve months.

Non-current	Note	2015 $'000	2014 $'000
Other Provisions			
Personnel Services			
- Long service leave		**16**	110
- Unfunded superannuation liability		**6,366**	6,134
	12(a)(ii)	**6,382**	6,244
Scheme liability	12(b)(ii)	**297,772**	295,079
		297,772	295,079
		304,154	301,323

Aggregate Personnel services and related on costs		
Payables - current	**265**	188
Provisions - current	**3,051**	2,742
Provisions - non-current	**6,382**	6,244
	9,698	9,174

Refer Note 19 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

(a)	**Provision for Personnel services**		
(i)	**Current**	**3,051**	2,742
(ii)	**Non-Current**	**6,382**	6,244
		9,433	8,986
	Movement in Provision		
	Carrying amount at beginning of year	**8,986**	9,030
	Additional provisions recognised	**1,305**	1040
	Amounts paid	**(858)**	(1,084)
	Carrying amount at end of year	**9,433**	8,986
(b)	**Provision for Scheme liability**		
(i)	Current	**570,530**	520,967
(ii)	Non-current	**297,772**	295,079
		868,302	816,046

Movement in Provision

30 June 2015	Notes	Building and Construction Industry $'000	Contract Cleaning Industry $'000	Total $'000
Carrying amount at beginning of year		801,393	14,653	**816,046**
Additional provisions recognised	2 (b)	57,618	7,373	**64,991**
Claims paid	2 (b)	(69,000)	(419)	**(69,419)**
Unwinding of discount rate	2 (d)	56,098	586	**56,684**
Carrying amount at end of year		846,109	22,193	**868,302**

30 June 2014				
Carrying amount at beginning of year		757,439	9,785	767,224
Additional provisions recognised	2 (b)	58,909	4,544	63,453
Claims paid	2 (b)	(67,976)	(71)	(68,047)
Unwinding of discount rate	2 (d)	53,021	395	53,416
Carrying amount at end of year		801,393	14,653	816,046

The *Long Service Corporation Act 2010* , under section 16, requires that actuarial investigations be undertaken to determine the sufficiency of the Funds and the adequacy of the long service levy rates at intervals not exceeding:

- 3 years for the *Building and Construction Industry Long Service Payments Act, 1986*
- 2 years for the *Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010*

Building and Construction Industry Long Service Payments Act, 1986

A full actuarial investigation was undertaken by Professional Financial Solutions as at 30 June 2012. They have further updated this to 30 June 2015 and estimated the scheme liabilities to be as follows:

	Note	2015 $'000	2014 $'000
AASB Valuation	(i)	**846,109**	801,393
Accrued Benefit Reserve	(ii)	**846,109**	801,393
Vested Benefits	(iii)	**794,036**	748,900

(i) The AASB Valuation is a calculation of benefits in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* that requires Scheme liabilities, taking into consideration an allowance for unreported service of active workers, to be discounted at a rate that reflects current market assessment of the time value of money and the risks specific to the liability. The discount rate is considered to be the long term rate of return on the Scheme assets properly invested to fund the growth in the Schemes Liabilities. The financial assumptions used in the actuarial update were: rate of increase in wages 3.5% per annum (2014: 4.0%) and long term rate of return on the investment portfolio 7.0% (2014: 7.0%).

(ii) The Accrued Benefit Reserve is the calculation of scheme liabilities, taking into consideration an allowance for unreported service of active workers, and discounted by the projected rate of return on the Scheme assets as determined by the actuary. The actuary uses the Accrued Benefit Reserve to assess the Corporation's funding position and for purposes of setting the recommended rate of levy payable to the Fund. The financial assumptions used to calculate the Accrued Benefit Reserve were: rate of increase in wages 3.5% per annum (2014: 4.0%) and a rate of return on assets 7.0% (2014: 7.0%).

(iii) The Vested Benefit is the amount of benefits payable if service ceased on the valuation date. Workers qualify for a vested benefit if they have attained age 55 and have at least 55 days of accumulated service credits or if they are under 55 and have at least 1,100 days of accumulated service credits.

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

	2015	2014
Active within last two years	**214,000**	198,404
Inactive for last two years but active within two prior years	**54,163**	50,441
Inactive for four or more years	**13,760**	13,055
Total number of workers considered	**281,923**	261,900

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

A full actuarial investigation was undertaken by Professional Financial Solutions as at 30 June 2014. They have further updated this to the 30 June 2015 and estimated the scheme liabilities to be as follows:

		2015	2014
	Note	**$'000**	**$'000**
AASB Valuation	(i)	**22,193**	14,653
Accrued Benefit Reserve	(ii)	**22,193**	14,653
Vested Benefits	(iii)	**16,003**	-

(i) The AASB Valuation is a calculation of benefits in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* that requires Scheme liabilities, taking into account the cost of establishing the Fund and the development of a data base consisting of active workers some with entitlements to foundation credits (predating the 30th June 2011) for workers registered within the first six months of the Scheme's establishment. The scheme liability has been discounted at a rate that reflects current market assessment of the time value of money and the risks specific to the liability. The discount rate is considered to be the long term rate of return on the Scheme assets properly invested to fund the growth in the Schemes liabilities. The financial assumptions used in the actuarial update were: rate of increase in wages 4.0% per annum (2014: 3.5%) and long term rate of return on the investment portfolio 7.0% (2014: 4% in the year 2014/15 and 7.0% thereafter).

(ii) The Accrued Benefit Reserve is the calculation of scheme liabilities, taking into consideration the items mentioned in (i) above and discounted by the projected rate of return on the Scheme assets as determined by the actuary. The actuary uses the Accrued Benefit Reserve to assess the Corporation's funding position and for purposes of setting the recommended rate of levy payable to the Fund. The financial assumptions used to calculate the Accrued Benefit Reserve were: rate of increase in wages 4.0% per annum (2014: a rate of increase in wages of 3.5% in the first year then 4.0% thereafter) and a rate of return on assets 7.0% (2014: 4% in the year 2014/15 and 7.0% thereafter).

(iii) The Vested Benefit is the amount of benefits payable if service ceased on the valuation date and the worker has more than five years eligible service (including service prior to the commencement date). As the fund commenced on the 1st July 2011 there are no Fund vested benefits as at 30 June 2014 due to no worker having become eligible to benefits, i.e. they had not accrued five years of service.

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

	2015	2014
Active	**26,723**	26,320
Total number of workers considered	**26,723**	26,320

(c) Provision for Levy Refund

		2015 $'000	2014 $'000
(i)	**Current**	**205**	138
(ii)	**Non-Current**	**-**	-
		205	138

	2015	2014
Movement in Provision		
Carrying amount at beginning of year	**138**	352
Additional provisions recognised	**2,286**	**1,266**
Claims paid	**(2,219)**	(1,480)
Carrying amount at end of year	**205**	138

The Corporation has an obligation under section 42 of the *Building and Construction Industry Long Service Payments Act 1986* to refund monies where, upon application in the approved form, it considers the cost of erection of the building is less than previously determined.

The liability is determined from assumptions based on past experience of the Corporation's calculation of levy refunds resulting from requests for redetermination of the leviable costs. The provision is based on an analysis of levies paid where the value of works were significant and no determination or refund requests had been received to date.

There is a degree of uncertainty surrounding the timing of refund requests. However based on past experience of the Corporation and discussions with major levy payers there is a high likelihood that there will be an economic outflow of funds from the Corporation within the next twelve months.

13. *Commitments for expenditure*

	2015 $'000	2014 $'000
(a) Capital Commitments		
Aggregate capital expenditure for the acquisition of software contracted for at balance date and not provided for:		
Not later than one year	**6**	106
Total (including GST)	**6**	106

The total capital commitments above include input tax credits of $605 (2014: $10,000) that are expected to be recoverable from the ATO.

(b) Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable:

	2015 $'000	2014 $'000
Not later than one year	**432**	442
Later than one year and not later than five years	**896**	231
Later than five years	**-**	-
Total (including GST)	**1,328**	673

The total operating lease commitments above include input tax credits of $121,000 (2014: $61,000) that are expected to be recoverable from the ATO.

14. *Contingent Liabilities and Contingent Assets*

There were no known contingent assets as at reporting date (2014: Nil).

Contingent liabilities as at reporting date (2014: Nil):

Levy Refund - an appeal has been lodged disputing the amount of the levy payable. If successful an amount of $655,000 may be refunded. The amount and timing are subject to the judicial processes available to the levy payer.

15. *Budget Review*

Net result

The actual net result was greater than budget by $98.6 million, primarily due to the following:

	2015 $'000
• Increased return on TCorp Hour-Glass investment facilities, including LSCIFT	36,845
• Increased collection of levies from both Schemes	44,870
• Decreased Finance cost due to unwinding of discount rate	1,216
• Decreased Long service expense	15,726
• Decreased Personnel services expense	35
• Increased other expenses	(58)
	98,634

Assets and liabilities

Total assets were greater than budget by $110.3 million and total liabilities were less than budget by $10.2 million. This resulted in an increase in the Corporation's equity of $120.5 million over budget. This was primarily due to the following:

	2015 $'000
• Increase in fair value of TCorp Hour-Glass investment facilities, including LSCIFT	86,964
• Increases in cash, receivable, plant and equipment	23,387
• Decrease in Scheme liability and personnel services	10,155
	120,506

Cash flows

Net Increase in cash flows from operating activities due to:	
• Decrease in scheme payments and operating expenses	17,598
• Better than expected levy receipts due to increased compliance and increased activity in the building and construction industry	42,840
• Better than expected returns from bank interest and miscellaneous items	818
Net decrease in cash flows from investing activities due to:	
• Lower than expected Capital Expenditure	2,679
• Purchase of TCorp Hour-Glass investment facilities, including LSCIFT	(42,783)
Reduction in cash flows from financing activities due to:	
Changes in opening cash position	3,961
	25,113

16. *Comparison with published budget information*

The following budget items are aggregated differently in the Statement of Comprehensive Income:

(i) Total Expenses including Losses	2015 Items $'000	Budget Items $'000
Employee Related	-	55
Other operating expenses	84,541	11,229
Subsidies and grants	-	80,716
Personnel services	7,459	-
	92,000	92,000
Depreciation and amortisation	1,134	1134
Finance Costs	57,900	57,900
Total Expenses including Losses	151,034	151,034

17. *Reconciliation of Cash Flows from Operating Activities to Net Result*

	2015 $'000	2014 $'000
Net cash flows from operating activities	**68,334**	43,409
Plus/(minus) non-cash items:		
Depreciation and amortisation	**(233)**	(224)
Investment (gains) / losses	**92,515**	95,005
Long service payments liability expense	**3,628**	4,694
Provision for Levy refund	**2,286**	1,266
Finance costs	**(56,684)**	(53,416)
Net (profit) on disposal of plant and equipment	**15**	-
Change in asset and liabilities:		
Increase/(decrease) in receivables	**8**	22
(Increase)/decrease in payables	**(2,943)**	1,278
(Increase)/decrease in provisions	**(447)**	44
Net result	**106,479**	92,078

18. *Fund information*

Fund	**Building & Construction Industry**		**Contract Cleaning Industry**		**Total**	
	2015 **$'000**	**2014** **$'000**	**2015** **$'000**	**2014** **$'000**	**2015** **$'000**	**2014** **$'000**
Expenses excluding losses						
Operating expenses						
Personnel services expenses	**6,828**	6,086	**686**	693	**7,514**	6,779
Other operating expenses	**60,311**	61,636	**7,840**	4,987	**68,151**	66,623
Depreciation and amortisation	**211**	202	**22**	22	**233**	224
Finance costs	**56,098**	53,021	**586**	395	**56,684**	53,416
Total expenses excluding losses	**123,448**	120,945	**9,134**	6,097	**132,582**	127,042
Revenue						
Investment revenue	**94,324**	97,070	**112**	589	**94,436**	97,659
Retained taxes, fees and fines	**135,162**	112,627	**9,336**	8,747	**144,498**	121,374
Other revenue	**112**	87	**-**	-	**112**	87
Total Revenue	**229,598**	209,784	**9,448**	9,336	**239,046**	219,120
Gain/(loss) on disposal	**15**	-	**-**	-	**15**	-
Total comprehensive income	**106,165**	88,839	**314**	3,239	**106,479**	92,078

Fund		Building & Construction Industry		Contract Cleaning Industry		Total	
	Notes	2015	2014	2015	2014	2015	2014
		$'000	$'000	$'000	$'000	$'000	$'000
ASSETS							
Current Assets							
Cash and cash equivalents	5	64,241	54,436	1,473	19,856	65,714	74,292
Receivables	6	5,688	5,680	2,301	2,262	7,989	7,942
Total Current Assets		69,929	60,116	3,774	22,118	73,703	82,234
Non-Current Assets							
Financial assets at fair value	7	972,743	830,089	26,335	-	999,078	830,089
Plant and equipment	8	164	338	-	-	164	338
Intangible assets	9	141	1	-	72	141	73
Total Non-Current Assets		973,048	830,428	26,335	72	999,383	830,500
Total Assets		1,042,977	890,544	30,109	22,190	1,073,086	912,734

Fund		Building & Construction Industry		Contract Cleaning Industry		Total	
	Notes	2015	2014	2015	2014	2015	2014
		$'000	$'000	$'000	$'000	$'000	$'000
LIABILITIES							
Current Liabilities							
Payables	11	1,520	462	185	140	1,705	602
Provisions	12	563,659	523,567	10,127	280	573,786	523,847
Total Current Liabilities		565,179	524,029	10,312	420	575,491	524,449
Non-Current Liabilities							
Provisions	12	291,777	286,659	12,377	14,664	304,154	301,323
Total Non-Current Liabilities		291,777	286,659	12,377	14,664	304,154	301,323
Total Liabilities		856,956	810,688	22,689	15,084	879,645	825,772
Net Assets		186,021	79,856	7,420	7,106	193,441	86,962
EQUITY							
Accumulated Funds (Losses)		186,021	79,856	7,420	7,106	193,441	86,962
Total Equity		186,021	79,856	7,420	7,106	193,441	86,962

19. *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 Chief Executive Officer 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's management, Audit and Risk Committee and external asset consultants on a continual basis.

(a) Financial instrument categories

Financial Assets Class:	Note	Category	Carrying Amount 2015 $'000	Carrying Amount 2014 $'000
Cash and cash equivalents	5	N/A	**65,714**	74,292
Receivables *	6	Receivables (at amortised cost)	**-**	2
Financial Assets at fair value	7	At fair value through profit or loss	**999,078**	830,089

* Excludes statutory receivables and prepayments

Financial Liabilities Class:	Note	Category	Carrying Amount 2015 $'000	Carrying Amount 2014 $'000
Payables *	11	Financial liabilities measured at amortised cost.	**1,299**	602

* Excludes statutory payables

(b) Credit risk

Credit risk arises when there is a possibility that the counterparties 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 impairment).

Credit risk arises from the financial assets of the Corporation, including cash, receivables and 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.

Cash

Cash comprises cash on hand, balances within the Treasury Banking System and deposits in the NSW Treasury Corporation (TCorp) Hour-Glass cash facility. Interest is earned on daily bank balances at the monthly average TCorp 11 am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour-Glass cash facility is further discussed in paragraph (d) below.

Receivables

All debtors are recognised as amounts receivables at balance date. Collectability of debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the Corporation will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions. No interest is earned on debtors.

The Corporation is not materially exposed to concentrations of credit risk to a single debtor or group of debtors. Based on past experience, debtors that are not past due (2015: $Nil; 2014: Nil) and less than three months past due (2015: $Nil; 2014: Nil) are not considered impaired.

The only financial assets that are past due or impaired are 'retained taxes fees and fines', and 'other' in the 'receivable' category of the statement of financial position.

	Total $'000	Past Due but not impaired $'000			Considered impaired $'000
Receivables		<3 months overdue	3-6 month overdue	>6 months overdue	
2015	-	-	-	-	-
2014	2	0	2	-	-

*The aging analysis excludes statutory receivables.

(c) 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.

The Corporation does not have any credit standby arrangements. 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, if trade terms are not specified, payment is made not 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 no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers the NSW TC 11/12 allows the Minister to award interest for late payment.

The table below summaries the maturity profile of the Corporation's financial liabilities, together with the interest rate exposure.

	Nominal Amount	Interest Rate Exposure	Maturity Dates		
			<1 yr.	1-5 yrs.	>5 yrs.
2015	**$'000**		**$'000**	**$'000**	**$'000**
Payables	**1,299**	Non Interest Bearing	**1,299**	**-**	**-**
2014					
Payables	602	Non Interest Bearing	602	-	**-**

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

(d) 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 Hour-Glass Investment facilities.

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 assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2014. The analysis assumes that all other variables remain constant.

Interest rate risk

The Corporation’s exposure to interest rate risk arises primarily through interest bearing assets. A reasonable possible change of +/- 1% has been used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Corporation's exposure to interest rate risk is set out below.

	$'000				
		-1%		1%	
	Carrying Amount	Net Result	Equity	Net Result	Equity
2015					
Cash and cash equivalents	65,714	(657)	-	657	-
2014					
Cash and cash equivalents	74,292	(743)	-	743	-

Currency risk

The Corporation has some foreign currency risk exposure from its investments in the TCorp Hour-Glass Investment facilities, including the LSCIFT. The Hour-Glass investments in emerging markets, indexed and actively managed international share sector are denominated in currencies other than Australian Dollars. The agreement between the Corporation and TCorp requires the manager to effectively review the currency exposure when it arises.

As at 30 June 2015, the Corporation has no transactional or structural currency exposures (2014: Nil)

Other price risk – TCorp Hour-Glass facilities

Exposure to ‘other price risk’ primarily arises through investment in the TCorp Hour-Glass investment facilities, including the LSCIFT, which are held for strategic rather than trading purposes. The Corporation's only direct equity investment is in the LSCIFT. The Corporation holds units in the following Hour-Glass cash and investment facility trusts:

Facility	**Investment Sectors**	**Investment Horizon**	**2015 $'000**	**2014 $'000**
Cash Facility	Cash and money market instruments	Up to 1.5 years	**462**	450
Long Service Corporation Investment Facility Trust	Cash, money market instruments, Australian bonds, listed property, Australian and international shares	7 years and over	**999,078**	**830,089**

The unit price of each facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue for that facility. Unit prices are calculated and published daily.

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

Investment in the Hour-Glass facilities 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.

NSW TCorp provides sensitivity analysis information for each of the Investment facilities, using historically based volatility information collected over a ten-year period, quoted at two standard deviations (i.e. 95% probability). Any change in unit price for the TCorp Hour-Glass investment facilities impacts directly on Net Result (rather than equity). A reasonably possible change is based on the percentage change in the unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour-Glass statement).

	Impact on Profit/Loss		
	Change in Unit price	**2015 $'000**	**2014 $'000**
Hour Glass Investment – Cash facility	+/-1%	**5**	5
Long Service Corporation Investment Facility Trust (LSCIFT)	+/-15%	**149,862**	**124,513**

(e) Fair Value measurement

(i) Fair value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass investment facilities, which are measured at fair value. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

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

(ii) Fair Value recognised in the statement of financial position

The Corporation uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Derived from quoted prices in active markets for identical assets / liabilities
- Level 2 - Derived from inputs other than quoted prices that are observable directly or indirectly.
- Level 3 - Derived from valuation techniques that include inputs for the asset / liability not based on observable market data (unobservable inputs).

	2015			2014
	Level 1 $'000	Level 2 $'000	Level 3 $'000	$'000
Financial assets at fair value				
TCorp Hour Glass investment facility - LSCIFT	-	**999,078**	-	830,089
Total	-	**999,078**	-	830,089

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

There were no transfers between level 1 and 2 during the year ended 30 June 2015.

The value of the Hour-Glass investment facility is based on the market value of the underlying assets of the facility.

20. *Events after the reporting date*

The Corporation is not aware of any events that have occurred after balance date which are of such a significance that they need disclosure or recognition in these financial statements.

End of Audited Financial Statements

Long Service Corporation Investment Fund

(formerly Long Service Corporation Investment Facility Trust)

Financial report for the year ended 30 June 2015

This financial report covers Long Service Corporation Investment Fund (formerly Long Service Corporation Investment Facility Trust) as an individual entity.

The Trustee of Long Service Corporation Investment Fund (formerly Long Service Corporation Investment Facility Trust) (ABN 73 631 375 853) is New South Wales Treasury Corporation (ABN 99 095 235 825).

	Notes	Year ended 30 June 2015 $	For the period from 12 November 2013 to 30 June 2014 $
Investment income			
Interest income		**41**	-
Trust distribution income		**74,074,886**	47,618,875
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	**18,630,413**	(19,617,625)
Total net investment income		**92,705,340**	28,001,250
Expenses			
Custody fees		**6,979**	28,956
Auditor's remuneration	4	**8,496**	7,733
Other operating expenses		**22,368**	968
Total operating expenses		**37,843**	37,657
Operating profit		**92,667,497**	27,963,593
Finance costs attributable to unitholders			
Distributions to unitholders		**(80,986,313)**	(48,065,537)
Return of capital to unitholders		**-**	(40,274,500)
(Increase)/decrease in net assets attributable to unitholders	6	**(11,681,184)**	60,376,444
Profit/(loss) for the year		**-**	-
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME		**-**	-

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

	Notes	As at 30 June 2015 $	30 June 2014 $
Assets			
Cash and cash equivalents	7	**48,133**	-
Receivables	8	**1,359**	2,577
Financial assets designated at fair value through profit or loss	9	**998,936,572**	829,509,266
Total assets		**998,986,064**	829,511,843
Liabilities			
Bank overdraft	7	**-**	1,428
Payables	10	**16,291**	8,140
Total liabilities (excluding net assets attributable to unitholders)		**16,291**	9,568
Net assets attributable to unitholders - liability	6	**998,969,773**	829,502,275

The above Balance sheet should be read in conjunction with the accompanying notes.

	Year ended	
	30 June 2015	30 June 2014
	$	$
Total equity at the beginning of the financial year		
Profit/(loss) for the year	-	-
Other comprehensive income	-	-
Total comprehensive income for the year	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the financial year	-	-

Under Australian Accounting Standards, 'Net assets attributable to unitholders' is classified as a liability rather than equity. As a result, there was no equity at the start or end of the year.

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

	Notes	Year ended 30 June 2015 $	For the period from 12 November 2013 to 30 June 2014 $
Cash flows from operating activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		**200,333,873**	76,930,666
Purchase of financial instruments held at fair value through profit or loss		**(277,055,880)**	(838,164,182)
Interest received		**28**	-
GST received/(paid)		**1,231**	(2,170)
Auditor's remuneration paid		**(7,737)**	-
Custody fees paid		**(6,979)**	(28,956)
Payment of other operating expenses		**(14,976)**	(968)
Net cash outflow from operating activities	12(a)	**(76,750,440)**	(761,265,610)
Cash flows from financing activities			
Proceeds from applications by unitholders		**76,800,001**	761,264,192
Payments for redemptions by unitholders		**-**	(10)
Net cash inflow from financing activities		**76,800,001**	761,264,182
Net increase/(decrease) in cash and cash equivalents		**49,561**	(1,428)
Cash and cash equivalents at the beginning of the period		**(1,428)**	-
Cash and cash equivalents at the end of the period	7	**48,133**	(1,428)
Non-cash financing and operating activities	12(b)		

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

Contents of the notes to the financial statements

1 General information

This financial report covers Long Service Corporation Investment Fund (formerly Long Service Corporation Investment Facility Trust) ("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 22, Governor Phillip Tower, 1 Farrer Place, Sydney, NSW 2000.

The Fund aims to achieve a maximum total return by investing in unlisted unit trusts as per the objectives stated in the Hour-Glass Brochure and in accordance with the provisions of the Fund Constitution.

The financial statements were authorised for issue by the Trustee on 8 October 2015. The Trustee has the power to amend and reissue the financial report.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated in the following text.

(a) Basis of preparation

This financial report is a general purpose financial report which has been prepared in accordance with the Fund Constitution. There is no statutory requirement for the Fund to prepare a financial report. The requirements of Australian accounting standards and other financial reporting requirements in Australia do not have mandatory applicability to the Fund because it is not a reporting entity. The Trustee has, however, prepared the financial report in accordance with all accounting standards and other mandatory financial reporting requirements in Australia relating to recognition, measurement and disclosure.

The directors have determined that 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 Balance sheet 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 date. 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. All other assets and liabilities are expected to be recovered or settled within 12 months.

The Fund holds units in other unlisted managed investment funds (refer to Note 11). The Trustee has determined that the Fund does not control these entities as the Fund does not have power over their relevant activities.

(b) Financial instruments

(i) Classification

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

- Financial instruments designated 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 in unlisted managed investment funds.

  Financial assets and financial liabilities designated 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.

2 Summary of significant accounting policies (continued)

(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 financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cashflows from the investments have 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 AASB13: *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 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 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 period 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).

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities. The units can be redeemed at any time for cash equal to a proportionate share of the Fund's net asset value subject to the terms of the Fund Constitution. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the Balance sheet date if unitholders exercised their right to put the units back to the Fund. Changes in the value of this financial liability are recognised in the Statement of comprehensive income as they arise.

(d) 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.

(e) Investment income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

Trust distributions are recognised on an entitlements basis.

(f) Expenses

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

(g) Income tax

Under current legislation, the Fund is not subject to income tax as unitholders are presently entitled to the income of the Fund.

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.

2 Summary of significant accounting policies (continued)

(h) Distributions

In accordance with the Fund Constitution, the Fund distributes income adjusted for amounts determined by the Trustee to unitholders by cash or reinvestment. The distributions are recognised in the Statement of comprehensive income as finance costs attributable to unitholders.

(i) Increase/decrease in net assets attributable to unitholders

Non-distributable income is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the Statement of comprehensive income as finance costs.

(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.

(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 period 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 with 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. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker.

(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(e) above. Amounts are generally received within 30 days of being recorded as receivables.

(m) Payables

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

(n) Applications and redemptions

Applications for and redemptions of units in the Fund are recorded 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 has been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%, 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 Balance sheet. Cash flows relating to GST are included in the Statement of cash flows on a gross basis.

2 Summary of significant accounting policies (continued)

(p) Use of estimates

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. 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.

(q) Accounting period

As the Fund commenced operations on 12 November 2013, the comparative information relates to the period 12 November 2013 to 30 June 2014.

(r) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2015 reporting period. The Trustee's assessment of the impact of these standards (to the extent relevant to the Fund) and interpretations is set out below:

AASB 9 *Financial Instruments* (and applicable amendments) (effective from 1 January 2018)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption. The Trustee does not expect this to have a significant impact on the recognition and measurement of the Fund's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not been changed from the previous requirements, and the Fund does not apply hedge accounting. AASB 9 also introduces a new impairment model. However, as the Fund's investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Fund.

There are no other 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.

3 Financial risk management

The Fund is exposed to credit risk, liquidity risk and market 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

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. These investments are classified on the Balance sheet 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) Interest rate risk

Interest rate risk is defined as the risk that the fair value of 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. This interest rate risk takes the form of cash flow interest rate risk on a floating rate instrument where interest rates are reset as market rates change. Where cash and cash equivalents balances are material, the Trustee manages this interest rate risk exposure through limits specified in the individual investment management agreements.

(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, including historical levels of changes in the correlation of the Fund's investments with the relevant benchmark and market volatility. 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	
	-15%	**+15%**
	$	**$**
30 June 2015	**(149,840,486)**	**149,840,486**
	-15%	+15%
	$	$
30 June 2014	(124,426,390)	124,426,390

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 Balance sheet. 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.

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 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.

These risks are controlled through the Fund's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating requirements.

Financial liabilities of the Fund comprise trade and other payables, derivative financial instruments and net assets attributable to unitholders. 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 6 sets out how the Trustee manages net assets attributable to unitholders.

The table below details the Fund's non-derivative 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.

	Less than 1 month	1-6 months	6-12 months	Over 12 months
	$	$	$	$
At 30 June 2015				
Payables	16,291	-	-	-
Net assets attributable to unitholders	969,720,722	-	-	29,249,051
	969,737,013	-	-	29,249,051

	Less than 1 month	1-6 months	6-12 months	Over 12 months
	$	$	$	$
At 30 June 2014				
Payables	8,140	-	-	-
Net assets attributable to unitholders	829,502,275	-	-	-
	829,510,415	-	-	-

3 Financial risk management (continued)

(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 active markets is based on their quoted market prices at the Balance sheet 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; 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 Balance sheet date taking into account current market conditions (volatility and appropriate yield curves) and the current creditworthiness of the counterparties.

(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).

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 table below sets out the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy:

30 June 2015	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Financial assets designated at fair value through profit or loss:				
Unlisted managed investment funds	-	998,936,572	-	998,936,572
Total	-	998,936,572	-	998,936,572

3 Financial risk management (continued)

(f) Fair value measurement (continued)

30 June 2014	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Financial assets designated at fair value through profit or loss:				
Unlisted managed investment funds	-	829,509,266	-	829,509,266
Total	-	829,509,266	-	829,509,266

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 2015.

Valuation techniques

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

4 Auditor's remuneration

The following fees were paid or payable for services provided by the auditor of the Fund:

	Year ended 30 June 2015 $	For the period from 12 November 2013 to 30 June 2014 $
Audit services		
Audit services		
PricewaterhouseCoopers		
Audit of the Financial Statements of the Fund	8,496	7,733
Total remuneration for audit services	8,496	7,733

Auditor's remuneration disclosed is inclusive of GST.

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

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

	Year ended 30 June 2015 $	For the period from 12 November 2013 to 30 June 2014 $
Financial instruments		
Net gain/(loss) on financial instruments designated as at fair value through (profit)/loss	18,630,413	(19,617,625)
Total net gains/(losses) on financial instruments held at fair value through (profit)/loss	18,630,413	(19,617,625)

6 Net assets attributable to unitholders

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

	Year ended 30 June 2015 Units	For the period from 12 November 2013 to 30 June 2014 Units	Year ended 30 June 2015 $	For the period from 12 November 2013 to 30 June 2014 $
Opening balance	**896,298,673**	-	**829,502,275**	-
Applications	**75,184,515**	801,036,927	**76,800,001**	801,538,692
Redemptions	**-**	(10)	**-**	(10)
Units issued upon reinvestment of distributions	**85,574,836**	95,261,756	**80,986,313**	88,340,037
Increase/(decrease) in net assets attributable to unitholders	**-**	-	**11,681,184**	(60,376,444)
Closing balance	**1,057,058,024**	896,298,673	**998,969,773**	829,502,275

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 considers its net assets attributable to unitholders as capital, notwithstanding 'net assets attributable to unitholders' is classified as a financial liability. 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.

7 Cash and cash equivalents

	As at 30 June 2015 $	As at 30 June 2014 $
Cash at bank	**48,133**	-
Bank overdraft	**-**	(1,428)
	48,133	(1,428)

8 Receivables

	As at 30 June 2015 $	As at 30 June 2014 $
Interest receivable	**13**	-
GST receivable	**1,346**	2,577
	1,359	2,577

9 Financial assets designated at fair value through profit or loss

	As at	
	30 June 2015 Fair value $	30 June 2014 Fair value $
Designated at fair value through profit or loss		
Unlisted managed investment funds	**998,936,572**	829,509,266
Total designated at fair value through profit or loss	**998,936,572**	829,509,266

10 Payables

	As at	
	30 June 2015 $	30 June 2014 $
Audit fees payable	**8,899**	8,140
Other expenses payable	**7,392**	-
	16,291	8,140

11 Related party transactions

Trustee

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

Key management personnel

Directors

Key management personnel includes persons who were directors of the Trustee at any time during the financial year or since the end of the year end and up to the date of this report:

R Whitfield BCom, Grad Dip Fin, AMP (Harvard)	Chairperson and Representative of NSW Treasury (Appointed 13 July 2015)
P Gaetjens BA(Hons) Grad Dip Prof Acc	Chairperson and Representative of NSW Treasury (Resigned 3 July 2015)
T Spencer, BEc(Hons)	Deputy Chairperson and Representative of NSW Treasury (Chairperson from 4-12 July 2015)
I Atlas B Juris (Hons), LLB (Hons), LLM	Non-executive Director
Hon A R Stockdale BA, LLB	Non-executive Director
P W Chronican BCom(Hons), MBA(Dist)	Non-executive Director
P H Warne BA, FAICD	Non-executive Director
K Schott AO BA(Hons), MA, DPhil	Non-executive Director
S W Knight BA, FAICD	Chief Executive

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.

11 Related party transactions (continued)

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 period.

Other transactions

During their period of appointment as directors of the Trustee, R Whitfield and P Gaetjens also held the position of Chief Executive Officer of Long Service Corporation. Long Service Corporation holds 100% of the units in the Fund and is the controlling entity.

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.

Trustee fees and other transactions

New South Wales Treasury Corporation is also the Manager of the Fund. Accordingly, related fees paid to New South Wales Treasury Corporation as Manager are disclosed below.

Under the Terms of the Fund Constitution the Trustee is entitled to receive fees monthly. There were no Trustee fees paid by the Fund for the year ended 30 June 2015 (30 June 2014: nil).

11 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:

	Fair value of investment $		Interest held %		Distribution received or receivable during period $	
	30 June 2015	**30 June 2014**	**30 June 2015**	**30 June 2014**	**30 June 2015**	**30 June 2014**
Hour-Glass Indexed International Share (Unhedged) Fund (formerly Hour-Glass Indexed International Shares Sector Trust)	**66,134,254**	52,824,508	**13.72**	13.51	**1,347,240**	1,350,076
Hour-Glass International Share (Unhedged) Fund (formerly Hour-Glass International Shares Sector Trust)	**172,740,978**	153,871,236	**5.59**	5.20	**26,289,400**	4,875,151
Hour-Glass Listed Property Fund (formerly Hour-Glass Listed Property Sector Trust)	**46,706,766**	48,522,062	**18.73**	20.86	**80,003**	107,416
Hour-Glass Australian Share Fund (formerly Hour-Glass Australian Shares Sector Trust)	**245,948,434**	208,892,221	**7.81**	7.00	**24,410,701**	29,189,281
Hour-Glass Indexed Australian Share Fund (formerly Hour-Glass Indexed Australian Shares Sector Trust)	**33,221,244**	31,446,843	**10.85**	8.27	**4,012,098**	4,203,547
Hour-Glass Australian Bond Fund (formerly Hour-Glass Australian Bonds Sector Trust)	**106,326,422**	97,034,619	**25.65**	19.09	**6,469,963**	3,256,840
Hour-Glass Liquidity Cash Fund (formerly Hour-Glass Cash Sector Trust)	**123,431,584**	100,410,716	**6.65**	4.82	**3,376,417**	1,736,090
Hour-Glass Strategic Cash Fund (formerly Hour-Glass Strategic Cash Facility Trust)	**125,103,416**	97,903,675	**10.61**	6.61	**3,350,359**	2,296,137
Hour-Glass Emerging Market Share Fund (formerly Hour-Glass Emerging Markets Share Sector Trust)	**50,074,423**	38,603,386	**5.55**	4.81	**3,436,165**	604,337
Hour-Glass Unlisted Property Fund (formerly Unlisted Property Sector Trust)	**29,249,051**	-	**2.62**	-	**1,302,540**	-

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

	Year ended 30 June 2015 $	For the period from 12 November 2013 to 30 June 2014 $
(a) Reconciliation of profit/(loss) to net cash outflow from operating activities		
Profit/(loss) for the year	-	-
Increase/(decrease) in net assets attributable to unitholders	**11,681,184**	(60,376,444)
Distributions to unitholders	**80,986,313**	48,065,537
Proceeds from sale of financial instruments held at fair value through profit or loss	**200,333,873**	76,930,666
Purchase of financial instruments held at fair value through profit or loss	**(277,055,880)**	(838,164,182)
Net (losses)/gains on financial instruments held at fair value through profit or loss	**(18,630,413)**	19,617,625
Investment income reinvested	**(74,074,886)**	(47,618,875)
Net change in receivables	**1,218**	(2,577)
Net change in payables	**8,151**	8,140
Net cash outflow from operating activities	**(76,750,440)**	(801,540,110)
(b) Non-cash financing and operating activities		
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	**80,986,313**	48,065,537
During the year, the following acquisitions were satisfied by participation in dividend and distribution reinvestment plans	**74,074,886**	47,618,875
During the period, the following return of capital payments were satisfied by the issue of units	-	40,274,500
	155,061,199	135,958,912

13 Events occurring after the reporting period

Effective 15 July 2015, the name of the Fund was changed from Long Service Corporation Investment Facility Trust to Long Service Corporation Investment Fund. The Fund's Constitution was amended by deed to reflect the new Fund name.

No other significant events have occurred since the reporting period which would impact on the financial position of the Fund disclosed in the Balance sheet as at 30 June 2015 or on the results and cash flows of the Fund for the year ended on that date.

14 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2015 and 30 June 2014.

Statement by the Trustee

In the opinion of the directors of the Trustee

(a) 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 2015 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 and other mandatory professional reporting requirements.

(b) There are reasonable grounds to believe the Fund will be able to pay its debts as and when they become due and payable.

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

Director
Sydney
8 October 2015

AUDITOR-GENERAL
NEW SOUTH WALES

INDEPENDENT AUDITOR'S REPORT

Long Service Corporation Investment Fund (formerly Long Service Corporation Investment Facility Trust)

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Long Service Corporation Investment Fund (the Fund), which comprise the balance sheet as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 30 June 2015, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

The Trustee's Responsibility for the Financial Statements

The Trustee is responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

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

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence 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, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

A Oyetunji
Director, Financial Audit Services

19 October 2015
SYDNEY

Appendices

Appendix 1

CONSUMER RESPONSE

Customer complaints

There was one (1) complaint received relating to a staff member's behaviour on the Helpline, one (1) on the Corporation not meeting its stated service levels and one (1) on the quality of information provided by a staff member. Another customer new to online transacting with the Corporation advised of their misunderstanding of an instruction on a screen. There were seventeen (17) instances of feedback on the unavailability of the Corporation's Helpline during several periods of the year.

Customer compliments

In the same period fifteen (15) compliments were received on the helpfulness and professionalism of Corporation staff.

Appendix 2

LEGISLATIVE CHANGE

There were no changes during the year to the *Long Service Corporation Act 2010, the Building and Construction Industry Long Service Payments Act 1986* or the *Contract Cleaning Industry (Portable Long Service Leave Scheme) Act 2010* or to the regulations.

Appendix 3

OBLIGATIONS UNDER THE GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009

1. Review of proactive release program - Clause 7(a)

A review of the Corporations procedures and practices under section 7 of the Act was conducted 20 June 2015. The Corporation has six Right to Information Officers (RIO's), two Senior RIO's and two Executive RIO's for the actioning of requests. A policy is in place and staff are trained in *GIPA Act* guidelines. The Corporation's Agency Information Guide is on our Internet. The Long Service Corporation did not receive any requests this financial year.

Clients are encouraged to make direct contact with the Corporation if they wish to review their records and this service is supplied free of charge and does not require an application under the Act.

2. Number of access applications received - Clause 7(b)

During the reporting period, our agency received a total of zero (0) formal access applications (including withdrawn applications but not invalid applications).

3. Number of refused applications for Schedule 1 information - Clause 7(c)

During the reporting period, our agency refused a total of zero (0) formal access applications because the information requested was information referred to in Schedule 1 to the *GIPA Act*. Of those applications, zero (0) were refused in full, and zero (0) were refused in part.

4. Statistical information about access applications - Clause 7(d) and Schedule 2

TABLE A: NUMBER OF APPLICATIONS BY TYPE OF APPLICANT AND OUTCOME*								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already avaliable	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	0	0	0	0	0	0	0

*More than one decision can be made in respect of a particular access application.
If so, a recording must be made in relation to each such decision. This also applies to Table B.

TABLE B: NUMBER OF APPLICATIONS BY TYPE OF APPLICATION AND OUTCOME	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already avaliable	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

*A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).
The total number of decisions in Table B should be the same as Table A.

TABLE C: INVALID APPLICATIONS

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

TABLE D: CONCLUSIVE PRESUMPTION OF OVERRIDING PUBLIC INTEREST AGAINST DISCLOSURE: MATTERS LISTED IN SCHEDULE 1 OF THE ACT	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

TABLE E: OTHER PUBLIC INTEREST CONSIDERATIONS AGAINST DISCLOSURE: MATTERS LISTED IN TABLE TO SECTION 14 OF THE ACT	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

TABLE F: TIMELINESS	
	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	0
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	0

TABLE G: NUMBER OF APPLICATIONS REVIEWED UNDER PART 5 OF THE ACT (BY TYPE OF REVIEW AND OUTCOME)			
	Number of applications	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	0	0

*The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

TABLE H: APPLICATIONS FOR REVIEW UNDER PART 5 OF THE ACT (BY TYPE OF APPLICANT)	
	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Appendix 4

PRIVACY AND PERSONAL INFORMATION PROTECTION ACT

In accordance with section 33 of the *Privacy and Personal Information Protection Act 1998*, a Privacy Management Plan is in place and a copy provided to the Privacy Commissioner. No applications have been received for internal review of conduct under Part 5 of the *Privacy and Personal Information Protection 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 has included training on policies and guidelines for protecting personal information and privacy, particularly on the Helpline.

The Corporation's formal complaint mechanism encompasses situations where customers have grievances in respect of requirements of the *Privacy and Personal Information Protection Act*. Customers in this position may lodge formal grievances and these are then addressed in accordance with the legislative requirements.

Appendix 5

WOMENS ACTION PLAN

Scheme

The Corporation's legislation requires delivery of long service benefits to the building and construction and contract cleaning industries in NSW. Benefits are equally available to male and female workers. There are provisions to help preserve a woman's registration when pregnant.

Staff

The Corporation has continued its flexible work time agreement which offers a wide bandwidth, no core time and provides for up to three flexi-days in a six week period to assist staff in meeting their work and family commitments. Ten female officers worked in part-time leave without pay arrangements to assist in returning to work after maternity leave or to assist with parental responsibilities.

Appendix 6

HUMAN RESOURCES

Safety, Return to Work and Support continued to provide human resource services through a Service Partnership Agreement.

Work practices/industrial relations

The Corporation continued to review and improve its approach to the administration of the two portable long service leave schemes it is responsible for by:

- Fine tuning the integration of the Contract Cleaning Industry Portable Long Service Leave and the Building and Construction Industry Long Service schemes.
- Better aligning positions and resources with business processes and workloads.
- Continually streamlining business processes to improve the Corporation's ability to meet customer demands and the objectives of its Corporate Plan.

The Corporation has also worked in consultation with the Public Service Association to ensure the recruitment requirements of the new *Government Sector Employment Act 2013* were followed and implemented prior to the transitional arrangements expiring in February 2015.

Training and development

The Corporation has a Performance Management Scheme in place. All staff have access to the Safety and Return to Work Division courses and their online training in addition to external courses. Study leave is also available for appropriate courses.

Staff training courses undertaken throughout the year include Certificate IV in Frontline Management, Job Application and Interview Skills, Effective Digital Communication, Graduate Certificate in Public Sector Management, Executive Coaching, Modern Business Writing, Information Security Awareness, Management Practices, Work Health and Safety.

STAFFING STATISTICS

COMPARISON OF STAFF LEVELS				
	2015		2014	
BAND	FEMALE	MALE	FEMALE	MALE
Band 4 (Secretary)	0	0	0	0
Band 3 (Deputy Secretary)	0	0	0	0
Band 2 (Executive Director)	0	0	0	0
Band 1 (Director)	0	2	0	2
Totals	**0**	**2**	**0**	**2**
	2		**2**	

STAFFING STATISTICS

COMPARISON OF STAFF LEVELS		Average Remuneration	
BAND	RANGE $	2015 $	2014 $
Band 4 (Secretary)	430,451 - 497,300	n/a	n/a
Band 3 (Deputy Secretary)	305,401 - 430,450	n/a	n/a
Band 2 (Executive Director)	242,801 - 305,400	n/a	n/a
Band 1 (Director)	170,250 - 242,800	186,469	176,402

5.2% of the Corporation's employee related expenditure in 2015 was related to senior executives, compared with 5.2% in 2014.

CHIEF AND SENIOR EXECUTIVE OFFICERS				
	2015	2014	2013	2012
SES Officers/Senior Officers	2	2	2	1
Number of Female SES officer	-	-	-	-
Number of SES officers at Level 5 and above	-	-	-	-

COMPARISON OF STAFF LEVELS CHIEF AND SENIOR EXECUTIVE OFFICERS				
	FTE 2015	FTE 2014	FTE 2013	FTE 2012
Temporary Contracting Staff	1	1	6.4	3
Employees covered by the Crown Employees Award	66	65.57	60.7	61.9
Total	67	66.57	67.1	64.69

Appendix 7

EXPENDITURE ON CONSULTANTS

Expenditure on consultants 1 July 2014 - 30 June 2015

CONSULTANTS COSTING $50,000 OR MORE	PROJECT	AMOUNT (EXCL GST) $
Finance and Accounting/Tax		
PricewaterhouseCoopers Securities Ltd	Quarterly Investment Report for both Schemes @ 4 QTRS + Strategy Review and Advice	97,226
Subtotal		**97,226**
CONSULTANTS COSTING LESS THAN $50,000	**PROJECT**	**AMOUNT (EXCL GST) $**
Finance and Accounting/Tax		
Mercer	Professional actuarial services	1,200
PFS	◤ Biennial Actuarial review of CCI fund and accounting disclosures ◤ BCI asset allocation standard deviation and correlations between asset classes ◤ CCI biennial actuarial review and valuation ◤ ARC presentation on Actuarial valuation	43,330
KPMG	Accounting advice and disclosure assistance	25,000
Subtotal		**69,530**
Total		**166,756**

Appendix 8

OTHER DISCLOSURES

- The Corporation has no subsidiaries and has not entered into joint ventures or partnerships with other organisations.
- The Corporation does not own real estate property nor was any real estate property disposed of during the year.
- Officers made no overseas visits during the year.
- No research or development programs were undertaken.
- There were no grants made to non government community organisations.

STATISTICAL INFORMATION ON PUBLIC INTEREST DISCLOSURES	
	2015
Number of public officials who made PIDs	0
Number of PIDs received	0
Of PIDs received, number primarily about:	
Corrupt conduct	0
Maladministration	0
Serious and substantial waste	0
Government information contravention	0
Local government pecuniary interest contravention	0
Number of PIDs finalised	0

Between July 2014 and June 2015 there were no public interest disclosures made by Long Service Corporation staff.

As a member of the NSW Treasury cluster the Corporation adopted Treasury's "Public Interest Disclosures Internal Reporting Policy".

Appendix 9

WORKFORCE DIVERSITY

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

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

The Corporation's two offices are designed to ensure easy access for people with disabilities and have designated quiet areas that can be used for meditation or religious practices.

TRENDS IN THE REPRESENTATION OF WORKFORCE DIVERSITY GROUPS				
EEO Group	**Benchmark or target %**	**2015 %**	**2014 %**	**2013 %**
Women	50	62.9	61.4	60.3
Aboriginal and Torres Strait Islander Employees	2.6	1.4	1.4	1.6
People whose language first spoken as a child was not English	19	2.9	4.3	4.8
People with a disability	n/a	7.1	8.6	9.5
People with a disability requiring work-related adjustment	1.5	7.1	7.1	7.9

WORKFORCE DIVERSITY

TRENDS IN THE DISTRIBUTION OF WORKFORCE DIVERSITY GROUPS				
EEO Group	**Benchmark or target %**	**2013 %**	**2014 %**	**2015 %**
Women	100	92	92	87
Aboriginal and Torres Strait Islander Employees	100	n/a	n/a	n/a
People whose language first 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

Note 1:

A Distribution Index of 100 indicates that the centre of the distribution of the Workforce Diversity group across salary levels is equivalent to that of other staff. Values less than 100 mean that the Workforce Diversity group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the Workforce Diversity group is less concentrated at lower salary levels.

Note 2:

The Distribution Index is not calculated where Workforce Diversity group or non-Workforce Diversity group numbers are less than 20.

Appendix 10

DISABILITY INCLUSION ACTION PLAN

The Corporation 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. The Corporation accommodates these staff members by providing work from home opportunities, reduced work hours, easy access to the workplace and access to support services within the community.

The Corporation also recognises its customers with disabilities by providing easy access to its premises. 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.

Appendix 11

MULTICULTURAL POLICIES AND SERVICES PROGRAM

The Corporation is committed to the principles of multiculturalism as outlined in the *Community Relations Commission and Principles of Multiculturalism Act 2000*. Progress against key result areas is shown below:

KEY RESULT AREA	ACHIEVEMENTS
Improved Customer Service	◤ Telephone translation service and staff fluent in community languages are available. This service is promoted to the industry and workers through various information materials and to callers on the Helpline experiencing language difficulties. ◤ The Corporation's legislation includes requirements for employers to register their workers ensuring those with reduced English proficiency have access to the scheme. ◤ Information in 12 community languages is included on the reverse of letterheads. ◤ Promotion of our multilingual interpreter and translation services on the Corporation website.
Organisational Capability and Learning	◤ Merit based principles are utilised for recruitment of staff. ◤ A Community Language Allowance Scheme is in place and staff are encouraged to obtain accreditation for community languages most used in the building industry. The Corporation also has access to the Compensation Authority Staff Division NSW Community Language Allowance Scheme qualified officers. ◤ Training and access to career development opportunities are available to staff. Target groups participated in training and career development opportunities. ◤ The Corporation's two offices have designated quiet areas that can be used for religious practices. ◤ The Corporation adheres to a Dignity and Respect in the Workplace Charter.

Due to the nature of our work there are limited opportunities to introduce additional initiatives relating to multiculturalism or support for humanitarian entrants.

The key multicultural strategies proposed for the following year is to monitor, review and improve the effectiveness of the advice and services to workers from all cultural groups.

Appendix 12

PROACTIVE WORK HEALTH AND SAFETY RISK MANAGEMENT

The Corporation recognises a safe and healthy workplace is essential for its employees.

The Corporation is able to provide this through senior management and employees working together to identify and solve workplace health and safety problems.

Key initiatives achieved in 2014/2015 include:

- election of new Health and Safety Representatives to monitor workplace risks, develop preventive safety strategies and promote workplace safety
- inspections of the Corporation's workplaces to ensure they reflect the commitment to maintaining a working environment which is free of actual or potential risks to the health and safety of staff, guests and visitors.

The Corporation conducts workplace safety inspections and in the 2014/2015 financial year there were 0 reported workplace incidents.

HEALTH AND WELLBEING

The Corporation provided a range of initiatives to promote positive and sustainable health and lifestyle practices for employees. In 2014/2015 these included:

- the opportunity for employees to receive free flu vaccinations
- continued access to an Employee Assistance Program (EAP) to all staff and their immediate family members
- advising staff on the best settings for their workstation bench, monitors and chairs
- trial of stand-up desks
- the availability of the Fitness Passport facility for staff to use local gyms and swimming pools.

Appendix 13

CREDIT CARD CERTIFICATION

In accordance with Treasury's Direction 205.01-205.08, the Long Service Corporation certifies that corporate credit cards used by officers of the Long Service Corporation have been in accordance with the established government requirements, Premier's Memorandum and Treasurer's Directions.

The Long Service Corporation has three credit cards issued with a total limit of $40,000.

Appendix 14

STATUTORY REPORTING COMPLIANCE

REQUIREMENT	REFERENCE
Aboriginal and Torres Strait Islanders	Page 101
Access Details	Page 02
Agreements with the Community Relations Commission	Not Applicable – Other disclosures - Page 100
Aims and Objectives	Page 06 - 07
Annual Report production costs and details	Page 02
Budgets	Page 33
Charter	Page 06
Consultants	Page 99
Consumer Response	Page 90
Credit Card Certification	Page 104
Digital Information Security Policy Compliance Attestation Statement	Page 25
Disability Inclusion Action Plan	Page 102
Disclosure of Controlled Entities	Not Applicable
Economic and other factors affecting achievement of operational objectives	Page 09
Financial Statements	Page 29
Funds granted to non-government community organisations	Not Applicable – Other disclosures - Page 100
Government Information (Public Access) Act 2009	Page 91
Human Resources	Page 97
Identification of audited financial statements	Page 31 - 88
Implementation of price determination	Not Applicable – Other disclosures - Page 100
Internal Audit and Risk Management Policy Attestation	Page 23
Investment performance	Page 27
Land disposal	Not Applicable – Other disclosures - Page 100
Legal Change	Page 90
Letter of Submission to the Minister for Industrial Relations	Page 03
Liability management performance	Page 52
Management and Activities	Page 06 - 07
Management and Structure	Page 10 - 11
Multicultural Policies and Services Program	Page 103
Occupational Health and Safety	Page 104
Payment of accounts	Page 28
Performance and numbers of senior executives	Page 97
Privacy and Personal Information Protection	Page 96
Promotion	Not Applicable – Other disclosures - Page 100
Public Interest Disclosures	Not Applicable – Other disclosures - Page 100
Requirements arising from employment arrangements	Refer to Notes to the Financial Statements 1(i) (iv) - Page 42
Research and development	Not Applicable – Other disclosures - Page 100
Risk management and insurance activities	Page 23
Summary Review of Operations	Page 13 - 16
Time for Payment of Accounts	Page 28
Workforce Diversity	Page 101

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