Treasury Circular

TC18-13
10 August 2018

Accounting for Long Service Leave and Annual Leave

This Treasury Circular outlines the accounting treatment for long service leave, annual leave and related on-costs applicable to NSW public sector agencies (including Statutory State Owned Corporations) for financial years ending on or after 30 June 2018. This Circular withdraws and supersedes Treasury Circular TC15-09 Accounting for Long Service Leave and Annual Leave.

Summary:

This Circular incorporates the changes arising from the latest triennial valuation of long service leave performed by Treasury's actuary. Key changes are as follows:

- Long service leave on-cost factors applicable to Crown-funded LSL agencies and Agency-funded Crown LSL Pool agencies (refer Part A Section 2, Table 1)
- Annual Leave on-cost factors applicable to General Government Sector agencies (refer Part B Section 3, Table 1)
- Current and non-current allocation of long service leave and related on-costs liabilities (refer Part C, Section 1).

This Circular also includes the change in discount rate for long-term long service leave and annual leave of Statutory State Owned Corporations (SOCs) and other for-profit entities from the government bond rate to high quality corporate bond rates effective from FY 2017-18.

This Circular should be read in conjunction with relevant Treasury Circulars and Treasury Policy Papers (available in the document library on Treasury's website).

This Treasury Circular is issued as a direction under Section 9 and 45E of the Public Finance and Audit Act 1983. A separate reference to the Circular will also be included in the Statement of Corporate Intent of SOCs.

This Circular withdraws and supersedes Treasury Circular TC15-09 *Accounting for Long Service Leave and Annual Leave*.

Stewart Walters
A/Deputy Secretary

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NSW Treasury website: www.treasury.nsw.gov.au/

Background

Accounting for employee benefits i.e. long service leave and annual leave[1] is outlined in AASB 119 *Employee Benefits* (AASB 119). This Circular incorporates the assumptions for the measurement and presentation of employee benefit liabilities for long service leave and annual leave that should be used by agencies.

This Circular is updated following the recent actuarial valuation of long service leave liabilities. Key changes arising from the actuarial valuation are as follows:

- long service leave on-cost factors applicable to Crown-Funded LSL agencies and Agency-Funded Crown LSL Pool agencies (refer to Part A Section 2, Table 1)
- annual leave on-cost factors applicable to General Government Sector agencies (refer to Part B Section 3, Table 1)
- current and non-current allocation of long service leave and related on-cost liabilities (refer to Part C, section 1)

This Circular also includes the change in discount rate for long-term long service leave and annual leave of Statutory State Owned Corporations (SOCs) and other for-profit entities from government bond rates to high quality corporate bond rates effective from FY 2017-18.

Application

This Circular is issued for financial years ending on or after 30 June 2018 and is issued as a Treasurer's Direction in accordance with Sections 9 and 45E of the *Public Finance and Audit Act 1983* (the Act). This Circular applies to all entities that must prepare general purpose financial reports under the Act, including Statutory SOCs. A specific reference to this Circular will be included in the Statement of Corporate Intent of SOCs.

This Circular withdraws and supersedes TC15-09 *Accounting for Long Service Leave and Annual Leave*.

This Circular must also be read in conjunction with TC14-06 *Funding Arrangements for Long Service Leave and Transferred Officers Leave Entitlements,* TC15-07 *Financial and Annual Reporting requirements arising from personnel service arrangements* (or replacement Circulars), and the annually released circular on Agency guidelines for the Mandatory Annual Returns to Treasury.

[1] Long service leave is often termed "extended leave" and annual leave is often termed "recreation leave".

PART A - LONG SERVICE LEAVE AND RELATED ON-COSTS

1. Recognition and measurement of long service leave

Employees reach an unconditional legal entitlement to LSL after a qualifying period of service (e.g. seven or ten years). For shorter service periods, LSL may be payable on exit in some (but not all) circumstances.

Long service leave is classified as other long-term employee benefits under AASB 119. According to AASB 119 para 72, employee service gives rise to an obligation even if the benefits are conditional on future employment (in other words they are not vested). Employee service before the vesting date gives rise to a constructive obligation because, at the end of each successive reporting period, the amount of future service that an employee will have to render before becoming entitled to the benefit is reduced. In measuring its employee benefit obligation, an entity considers the probability that some employees may not satisfy any vesting requirements.

The liability for long service leave is to be measured according to most of the requirements for defined benefit plans under AASB 119 *except* for the requirement to recognise re-measurements of the net defined benefit liability (asset) in other comprehensive income.

The liability for long service leave is measured as the present value of the estimated future cash outflows to be made by the employer for services provided by employees up to the reporting date. AASB 119 requires that for not-for-profit public sector entities, other long-term employee benefits i.e. long service leave, is discounted based on the long-term government bond rate as at the reporting date (AASB 119 para 83 and Aus83.1). In the case of for-profit entities, the Standard requires that the other long-term employee benefits are discounted using high quality corporate bond rates, or the government bond rate in the absence of a deep market in high quality corporate bonds (AASB 119 para 83).

Treasury now considers that there is a deep market in high quality corporate bonds in Australia. On this basis, for-profit entities in the NSW public sector must discount using the published yield on high quality corporate bond rates effective from FY 2017-18.

The Standard permits the use of short-hand measurement techniques to approximate the present value of the long service leave liability (AASB 119 para 60). The difference between the short-hand method and a full present value method must be periodically compared and adjustments made for any material differences.

The Crown assumes the long service leave liability of certain General Government Sector (GGS) agencies. These agencies do not recognise a long service leave liability in their Statement of Financial Position. Instead, they recognise an equivalent revenue for the liabilities assumed by Crown.

For the purposes of long service leave in the NSW public sector, agencies are assigned to one of three categories:

- Category 1 - Crown Funded LSL Agencies;
- Category 2 - Agency Funded Crown LSL Pool; and
- Category 3 - all other residual agencies covered by the *Government Sector Employment Act 2013*.

The accounting treatment for long service leave and related on-costs will vary depending on the category.

Category 1 – Crown Funded LSL Agencies are GGS agencies whose long service leave liability, including some long service leave on-costs, is assumed by the Crown. Category 1 agencies are listed in Appendix 1 of TC 14-06 or its replacement Circular.

Category 2 – Agency Funded Crown LSL Pool agencies are GGS agencies that make regular contributions to the LSL Pool (the Pool). These agencies directly meet their long service leave obligations to employees and are subsequently reimbursed by the Crown Finance Entity (CFE)[2] for long service leave payments made to employees. Category 2 agencies are listed in Appendix 2 of TC 14-06 or its replacement Circular.

Category 3 – All other residual agencies covered by the *Government Sector Employment Act 2013* who assume their own long service leave liability and related on-costs.

2. On-costs on long service leave

There are various on-costs incurred in relation to long service leave. The long service leave on long service leave on-cost has already been included in the present value calculations for Category 1 and 2 agencies as this additional liability is considered an employee benefit liability, rather than a stand-alone on-cost. On the other hand, the on-costs listed in the table below are considered stand-alone on-costs. The factors to use in the calculation of these on-costs applicable for Category 1 and Category 2 agencies are listed in the table below. The defined benefit superannuation on-costs incurred on Category 1 agencies are assumed by the Crown.

Table 1: Agency long service leave on-cost factors for Category 1 and Category 2 Agencies

On-costs on long service leave[3]	Treatment in agency	Factor %[4]
Superannuation – defined benefits[5]	Category 1 agency - Assumed by the Crown Category 2 & 3 agencies - Not assumed by the Crown	1.0% of present value of the total long service leave liability*
Superannuation – defined contribution	Not assumed by the Crown	4.3% of present value of the total long service leave liability*
Annual leave accrued while on long service leave taken in service	Not assumed by the Crown	4.6% of present value of the total long service leave liability[6] *
Workers Compensation Insurance	Not assumed by the Crown	1.0% of present value of the total long service leave liability*
Payroll Tax – NSW Health only	Not assumed by the Crown	Nil[7]
Payroll Tax – all other agencies except Health	Not assumed by the Crown	5.45% of present value of the total long service leave liability*

* Present value of the long service leave liability as advised by the CFE.

[2] CFE is part of the Crown Entity, which is collectively referred to as the Crown in this circular. CFE is managed by Treasury.

[3] No allowance for long service leave accruals while on long service leave is required as Treasury's actuary has included this in the present value of long service leave.

[4] The on-cost factors provided are intended to be generally appropriate across Crown-funded LSL Agencies and Agency-funded Crown LSL Pool entities. However, where there are indications that the on-cost factors are not appropriate (i.e. where they would give rise to material misstatements) due to the different circumstances of the agency, the agency should discuss this with Treasury.

[5] The Crown will report this to each agency after the agency submits Appendix A (refer Part A, Section 4).

[6] This applies to agencies with an average annual leave accrual of between 4 and 4.5 weeks per year. If an agency has an average annual leave higher than 4.5 weeks per year, it can scale the factor in proportion to its average annual leave as 4.6% x average leave accrued in weeks per year / 4.25 weeks per year.

[7] Under the *Payroll Tax Act 2007*, wages paid or payable by a health care service provider are exempt from payroll tax.

The impact to agencies from the change in factors are to be treated in the current year as a change in estimate, in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors.* For the purposes of calculating this impact, the factors for FY 2016-17 for superannuation on-costs were 1.2% for defined benefit superannuation and 3.8% for defined contribution superannuation, and annual leave accrued while on long service leave taken in service was 4.2%.

The same factors are applied to both the current and non-current portion of the long service leave liability. Agencies must separately identify payroll tax (expense and liability) for PRIME reporting to Treasury, so that it can be eliminated in the consolidated financial statements of the State.

3. Accounting for long service leave and related on-costs

3.1 Category 1 – Crown Funded LSL Agencies

Recognition in financial statements

Category 1 agencies recognise a long service leave expense and related on-costs expense in the Statement of Comprehensive Income when employees have rendered related services to the entity.

The long service leave of these agencies are assumed by the Crown. That is, the liability for these agencies is extinguished and no long service leave liability is shown in the agency's Statement of Financial Position. Category 1 agencies recognise a revenue equivalent to the liability assumed by the Crown.

Table Part A Section 2, Table 1 lists the various on-costs on long service leave. Except for the defined benefits superannuation on-cost which is assumed by the Crown, the liabilities arising from other on-costs remain with the agency and need to be classified between current and non-current liabilities. Part C, Section 1 of this Circular provides guidance on current and non-current classification.

Reporting to CFE

The Crown adopts a short hand method to approximate the long service leave liability assumed by making a projection for each employee based on their current salary, long service leave entitlement and other factors as advised by Treasury's actuary. The projected future cash flows are then discounted to their present value using the Commonwealth government bond rate at year end.

Category 1 agencies must report to the CFE monthly the movement in long service leave entitlements. The details required in the monthly long service leave journals are outlined in TC14-06 or its replacement Circular.

At the end of the financial year, based on the information provided by agencies (refer to Appendix A), the CFE will advise the present value of the long service leave liability and the defined benefits superannuation on-cost liability assumed by the Crown (refer to Part A Section 4).

3.2 Category 2 - Agency Funded Crown LSL Pool Agencies

Recognition in financial statements

Category 2 agencies make regular cash contributions to the Pool held by the CFE in accordance with TC14-06 or its replacement Circular. Agencies recognise these contributions as an expense in the Statement of Comprehensive Income.

Subsequently, Category 2 agencies receive reimbursements from the CFE for long service leave payments made to employees. Agencies recognise the present value of the amount of payments expected to be made to employees as a long service leave liability, along with a corresponding asset[8] for the amount expected to be reimbursed by the CFE in the Statement of Financial Position.

Category 2 agencies are responsible for the long service leave on-costs and must include the on-costs expense and liability in their own financial statements. Category 2 agencies can use the factors applicable to the Category 1 agencies, as calculated by Treasury's actuary, outlined in Part A Section 2, Table 1.

Reporting to CFE

Category 2 agencies must report to the CFE monthly the amount of cash payments made to the CFE. The method to calculate the long service leave contributions and the reimbursement procedure are outlined in TC14-06 or its replacement Circular.

At the end of the financial year, CFE advises agencies the present value of their long service leave liability based on the aggregate nominal long service leave entitlements provided by agencies (refer Section 4).

No cash payments to the CFE is required to fund the difference between the present value of long service leave entitlements, as calculated by CFE, and the long service leave nominal value in agency records (i.e. as the present value of long service leave liability varies year to year).

3.3 Category 3 - all other residual agencies covered by the Government Sector *Employment Act 2013*

Agencies that are not Crown Funded LSL Agencies or not part of the Agency Funded Crown LSL Pool must either use the full present value methodology in accordance with AASB 119, or a short hand method to approximate the present value of the long service leave liability. If using a short hand method, agencies must periodically compare the results of using the two methods and adjust for any material differences. This may require a periodic actuarial review.

4. Reporting requirements for Category 1 and Category 2 agencies

Category 1 and Category 2 agencies must provide the following information to CFE by completing Appendix A by the date prescribed in the annual Circular on Agency guidelines for the Mandatory Annual Returns to Treasury each year:

- The aggregate nominal long service leave balances (long service leave entitlement *x* salary) as at 30 April for employees with more than five years' service; and

- Estimated total annual salary of all employees (i.e. not just those employees included in the long service leave calculation) for the financial year.

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[8] Reimbursement from the CFE is 'virtually certain' and satisfies the criteria for recognition as a separate asset in accordance with AASB 119 para 116.

These calculations should be based on current pay rates. Detailed information at the individual employee level is not required. Departments are responsible for coordinating with the agencies within their Departments to avoid any possible errors due to duplication or omission of long service leave liabilities being reported in Appendix A.

CFE will calculate and advise agencies the present value of long service leave liability, and for Category 1 agencies, the related on-costs liability assumed by the Crown. This will be done via a return of the completed Part B of Appendix A from CFE to the agencies, within the period in accordance with the annual Circular on Agency Guidelines for the Mandatory Annual Returns to Treasury.

This information will be used by agencies to complete the certificate of long service leave reconciliation in the Crown Data Return and to calculate their own year-end long service leave journals.

5. Special arrangements for FY 2017-18 due to change in on-cost factors

For FY 2017-18 only, agencies should treat expenses relating to the “change in factors” as actuarial adjustments. The correct PRIME expense accounts are -

- For increase: AE401025040 Losses - Actuarial Triennial Review-Leave on-costs
- For decrease: AR401021004 Gains - Actuarial Triennial Review-Leave on-costs

The following is to be noted:

- External Counter Party to be used for this entry is CPE 919
- agencies must continue to report the normal annual on-cost expense separately from these accounts
- Agencies should report the nominal annual on-costs to the usual PRIME salaries, payroll tax expense and workers’ compensation expense accounts.

PART B – ANNUAL LEAVE AND RELATED ON-COSTS

1. Recognition and Measurement of Annual Leave

Annual leave can only be recognised as a short-term employee benefit where these benefits are expected to be settled *wholly* before 12 months after the end of the annual reporting period in which the employees render the related service (AASB 119 para. 9). Short-term annual leave is measured on an undiscounted basis using remuneration rates expected to be paid when the obligation is settled (AASB 119 para. 11). For example, liability estimates would take account of any 1 July pay increases payable to employees of public sector agencies.

In the NSW public sector, it is unlikely that the annual leave benefit will be settled wholly before 12 months after the end of the annual reporting period. As a result, annual leave is likely to be a long-term employee benefit which AASB 119 requires to be measured at the present value of the estimated future cash outflows to be made to employees for services provided.

However, in practice, depending on the profile of the annual leave benefits, the impact of measuring annual leave as a short-term (undiscounted) employee benefit rather than a long-term employee benefit (present value) may be immaterial.

Treasury's independent actuary supports the view that, for GGS agencies, the net impact of salary inflation, promotional increases and discounting to present value is immaterial to annual leave.

Accordingly, Treasury has confirmed that even where annual leave is determined as a long-term employee benefit, GGS agencies can apply the nominal (undiscounted) balance plus the annual leave entitlements accrued while taking annual leave (i.e. annual leave-on-annual leave liability) to approximate the present value of the annual leave liability.

The annual leave-on-annual leave liability for GGS agencies is calculated at a factor of 7.9%[9] on the nominal value of annual leave.

For example, if an agency has a nominal value of annual leave totalling $1,000,000, the present value[10] is calculated as follows:

Nominal value of annual leave	$1,000,000
Annual leave on annual leave liability of 7.9%	$ 79,000
Present value of annual leave	$1,079,000

However, if an agency has a high proportion of employees with annual leave balances significantly in excess of 40 days, they should consider projecting future cash outflows expected to be made to employees and discounting the projected annual leave to its present value. This should be assessed by each agency every year.

NSW public sector agencies outside the GGS should review the treatment of their annual leave liability, including assessing whether there is likely to be any material difference between the present value and undiscounted basis.

[9] This applies to agencies with an average annual leave accrual of between 4 and 4.5 weeks per year. If an agency has an average annual leave accrual higher than 4.5 weeks per year, it can scale the factor in proportion to its average leave as 7.9% x average leave accruals in weeks per year/4.25 weeks per year.

[10] The present value is used as a basis for calculating annual leave on-costs as discussed in Part B, Sections 2.1 to 2.3 of this Circular.

2. Accounting and reporting requirements for on-costs on annual leave

As with other employee benefits, where material, the on-costs associated with annual leave (i.e. payroll tax, workers compensation insurance, long service leave and superannuation), are recognised as expenses and liabilities (and revenue, where assumed by the Crown) when employees have rendered related services to the entity.

For Category 1 Crown Funded LSL Agencies, the on-costs of defined benefit superannuation and long service leave accruing while on annual leave are assumed by the Crown (refer section 2.1 and 2.3 below). These agencies should not accrue these on-costs as liabilities. Instead, the amount assumed by the Crown must be recognised as revenue.

This Circular specifies on-cost factors for GGS agencies. The details of the on-cost factors are set out in the section 3, Table 1. Non-GGS agencies should make their own enquiries as to appropriate on-cost factors. If there has been a change in the factors previously applied, the change and its impact to agencies is to be treated in the current year as a change in estimate, in accordance with AASB 108. The accounting and reporting requirements for the on-costs on annual leave are outlined below.

2.1 Defined benefit Superannuation on-cost on annual leave

Defined benefit superannuation assumed by the Crown

Where defined benefit superannuation is assumed by the Crown (refer TC 18-10 or its replacement Circular), any additional superannuation liability accruing on the annual leave liability is also assumed by the Crown and is recognised as an expense and revenue.

These agencies must report the defined benefit on-cost on annual leave assumed by the Crown in the Crown Data Return. This must be done annually as part of the requirement of the annual Circular on Agency Guidelines for the Mandatory Annual Returns to Treasury.

Defined benefit superannuation not assumed by the Crown

For those agencies whose defined benefit superannuation is not assumed by the Crown, the defined benefit superannuation on-cost on annual leave is recognised as an expense and liability.

2.2 Defined contribution superannuation on-cost on annual leave

The defined contribution superannuation on-cost is not assumed by the Crown. Agencies should recognise this on-cost as an expense and liability in their financial statements.

2.3 On-cost of accruing long service leave on annual leave

Long service leave liability assumed by the Crown

As discussed in Part A, the Crown assumes the long service leave liability of Category 1 - Crown Funded LSL Agencies. For these agencies, the related long service leave accruing cost on annual leave is also assumed by the Crown. Category 1 agencies recognise an expense and revenue for any long service leave liability accruing on the annual leave liability assumed by the Crown.

Category 1 agencies must report the on-cost of accruing long service leave on annual leave assumed by the Crown in the Crown Data Return. This must be done annually as part of the requirement of the annual Circular on Agency Guidelines for the Mandatory Annual Returns to Treasury.

Long service leave liability not assumed by the Crown

For agencies whose long service leave liability is not assumed by the Crown, the on-cost of accruing long service leave on annual leave is recognised as an expense and liability.

3. On-costs on annual leave

There are various on-costs incurred in relation to annual leave. The applicable factors to use in the calculation of these costs for GGS Agencies are listed in the table below. Non-GGS agencies should make their own enquiries as to appropriate on-cost factors.

Table 1: Agency annual leave on-cost factors for GGS Agencies

On-costs on annual leave	Treatment in agency	On-cost factor % [11]
Superannuation – defined benefits [12]	Assumed by the Crown – **only** for agencies whose defined superannuation benefit liability **is** assumed by the Crown. Not assumed by the Crown - agencies whose defined superannuation benefit liability **is not** assumed by the Crown.	0.9% of present value of the total annual leave liability for all GGS agencies
Superannuation – defined contribution[17]	Not assumed by the Crown	7.9% of present value of the total annual leave liability
Long service leave accrued while on annual leave	Assumed by the Crown – **only** for agencies whose long service leave liability **is** assumed by the Crown. Not assumed by the Crown - agencies whose long service leave liability **is not** assumed by the Crown.	2.6% of present value of the total annual leave liability for all GGS agencies
Workers Compensation Insurance	Not assumed by the Crown	90% X Workers Compensation premium as a percentage of salary X annual leave present value liability
Payroll Tax	Not assumed by the Crown	NSW Health - Nil 5.45% of present value of the total annual leave liability

[11] The annual leave on-cost factors provided are intended to be generally appropriate across GGS agencies. However, where there are indications that the on-cost factors are not appropriate (i.e. where they would give rise to material misstatements) due to different circumstances of the particular agencies, the agency should discuss this with Treasury.

[12] For GG agencies whose defined benefit superannuation and defined contribution superannuation liabilities are not assumed by the Crown, they can apply a combined 8.7% superannuation on-costs (for both defined benefit and defined contribution superannuation on-costs) on the present value of annual leave liability.

PART C – PRESENTATION AND DISCLOSURE – LONG SERVICE LEAVE AND ANNUAL LEAVE

1. Current / non-current liabilities

Under paragraph 69 of AASB 101 *Presentation of Financial Statements*, liabilities must be classified as current where the agency does not have an unconditional right to defer the settlement of a liability for at least 12 months after the reporting period.

All annual leave and unconditional LSL must be classified as current liability even where the agency does not expect to settle the liability within 12 months.

AASB 119 contains requirements about the recognition and measurement of employee benefits. AASB 101 covers requirements on whether an item is presented as current or non-current. AASB 101 current and non-current classifications do not necessarily align with the distinction between short-term and long-term employee benefits under AASB 119. For example, an unconditional long-service leave liability must be classified as 'current' in the Statement of Financial Position (per AASB 101), but it must be recognised and measured as a long-term employee benefit (per AASB 119 para 69).

Based on actuarial advice for long service leave assumed by the Crown, on average approximately 92% of the long service leave and related on-costs liabilities is current and 8% non-current. Agencies should use this as the basis for the current/non-current allocation, unless they can demonstrate otherwise.

Similarly, annual leave must be classified as current in the Statement of Financial Position, but it may be recognised and measured as a long-term employee benefit.

AASB 101 (para. 61), states that for each liability line item that combines amounts expected to be settled no more than 12 months after the reporting period and more than 12 months after the reporting period, an entity must disclose the amount expected to be settled after more than 12 months. Therefore, in the notes to the financial statements, the current liability (i.e. annual leave and current portion of LSL) must be split between what is expected to be settled within 12 months and what is expected to be settled in more than 12 months after the reporting period.

2. Other disclosure requirements

Disclosure requirements for GGS agencies are outlined in the Financial Reporting Code.

Agencies should refer to applicable Accounting Standards for further guidance on financial statement disclosures regarding long service leave and annual leave. For example, AASB 101 may require separate disclosure of employee benefit expenses, where material. Agencies may also be required to make additional disclosures, where required by AASB 124 *Related Party Disclosures.*

Appendix A

Long Service Leave Return: Category 1 - Crown Funded LSL Agencies and Category 2 - Agency Funded Crown LSL Pool agencies

Senior Financial Accountant Email: Crown_Entity@treasury.nsw.gov.au

Part A

Actuarial valuation of long service leave liability as at 30 June 20______

Agency name ____________________________________ Agency or Profit centre number______________

Email____Telephone____________

The nominal value of long service leave balance as at 30 April 20____ for employees that have completed 5 or more years of service.

	$'000
Present value of long service leave - As at the end of the previous year *(Opening current and non-current long service leave balance, as advised by CFE in the previous year. The balance excludes any on-costs)*	_________________
Estimated Total Annual Salary of *all* Employees[1]	_________________
Nominal value of long service leave current year- As at 30 April	_________________

**For more guidance in completing this form, refer to accompanying notes particularly Part A Section 4 of this Circular (for Crown Funded LSL Agencies and Agency Funded Crown LSL Pool.)*

Explanations for any large movements in the long service leave balance (*if applicable*):	Signed _______________ Date_________ Name_____________________

Part B
Completed by the CFE
(The CFE will convert nominal value to present value and send to you within the period as specified in the annual Circular on Agency Guidelines for the Mandatory Annual Returns to Treasury).

Liabilities assumed by the Crown as at 30 June 20__________

	$'000
long service leave present value - As at 30 June 20__________ (*Base for calculating on-costs*)	_________________
On-Costs assumed by the Crown, excluding Category 2 - Agency Funded Crown LSL Pool agencies[2]**:** Defined benefit superannuation on-cost of 1.0%	_________________
Total long service leave present value and related on-costs assumed by the Crown	_________________

______________________________ ______________

Senior Financial Accountant Date

(Attach a copy of this signed certificate with your Crown Data Return)

1 This represents the estimated aggregate salaries paid during the financial year, where the salary is, at any time, the actual salary applicable for determining LSL payments in service.

2 The defined benefit superannuation on-cost is not included in the Category 2 - Agency Funded Crown LSL Pool calculations.