Catholic Education Long Service Leave Scheme (Victoria) Key Information

*The Catholic Education Long Service Leave Scheme (Victoria) (**Scheme**) was established in the late 1970s and is operated to facilitate the portability of long service leave (**LSL**) entitlements for employees within the Victorian Catholic education system in a manner that allows for the cost of administration and management of such portable LSL entitlements to be equitably shared between participating Victorian Catholic school education employers.*

*The Scheme is operated by a Long Service Leave Committee (**Committee**), which is comprised of persons nominated by stakeholders in the Scheme and includes representatives of religious congregations, of primary and secondary principals and teachers, a member of the Victorian branch of the Independent Education Union and an employee of Victorian Catholic Education Authority Limited (**VCEA**) as a chairperson. The Committee has engaged VCEA to provide administrative support to the Committee in respect of the Scheme.*

This page explains how the Scheme works, what payments are made by the Scheme, the risks, fees and costs, and how to make a complaint. It is designed to help participating Victorian Catholic school education employers, and their employees, understand the Scheme's key features and disclosures.

How does the Scheme work?

The Scheme is funded by annual contributions from participating employers who are Victorian Catholic school proprietors or their affiliated entities.

When a participating employer is required to pay LSL entitlements to an employee, they receive a reimbursement from the Scheme referable to the amount of the LSL entitlements paid to the employee. A participating employer may apply for and receive an additional, discretionary payment from the Scheme representing additional staffing costs when an employee is absent on LSL. The LSL Committee Terms of Reference and LSL Committee Code of Conduct are available upon request.

Employees of participating employers do not have a direct relationship with the Scheme, and all liability for an employee's LSL entitlements remain with their employer. The application of the Scheme to Victorian Catholic school proprietors and portability of LSL in the Victorian Catholic school education system is enshrined in the following enterprise bargaining agreements:

- *Catholic Education Multi-Enterprise Agreement 2022*
- *Diocese of Sale Catholic Education Limited Schools and Secretariat Agreement 2022*
- *Catholic College Sale Agreement 2022*

How are contributions to the Scheme used?

Contributions to the Scheme are used to reimburse on a claims-made basis participating employers that, as a result of LSL entitlement portability arrangements, are required to pay LSL entitlements to employees in recognition of continuous service within the Victorian Catholic school education system as a whole.

Contributions made by participating employers are pooled and invested in order to preserve the value of the Scheme's assets against inflation and other economic forces.

All Scheme investments are made primarily on a defensive basis or in accordance with investment advice provided by an experienced and licensed financial advisory firm, with the absolute priority being to preserve the value of the Scheme.

How is income generated by the Scheme used?

All income generated by the Scheme's investments each financial year is applied:

- *firstly, to make payment of reimbursements to participating employers in respect of LSL entitlements paid to employees; and*
- *secondly, as an accumulation to Scheme assets, in order that future annual contributions from participating employers are maintained at a stable level, notwithstanding inflation and employee salary increases.*

What payments are participating employers entitled to receive from the Scheme?

Participating employers are only entitled to receive reimbursements from the Scheme for amounts paid by them as LSL entitlements in respect of their employees.

Participating employers are not entitled to be reimbursed out of the assets of the Scheme in respect of any other liabilities incurred in relation to their employees, including annual leave or redundancy entitlements.

What are the risks to participating employers?

Participating employers do not share directly in the Scheme's profit or losses, however, the ability to receive reimbursements for LSL entitlements paid to their employees is subject to the Scheme's ability to meet claims for reimbursement as and when they are due.

The priority for the Scheme is to always be in a position to pay all claims for reimbursement promptly. While the Scheme has paid reimbursement claims since 1978, past performance is not a guarantee of future outcomes.

Any shortfall in the assets of the Scheme will not relieve a participating employer from its obligation to make payment of the full amount of their employees' LSL entitlements.

Investment approach and risk

The Scheme is operated with stringent governance controls and defensive investment parameters in accordance with advice provided by an experienced and licensed financial advisory firm to preserve the value of Scheme assets.

However, all investments carry risks, and neither the Committee, VCEA, nor the Scheme's financial advisers guarantee the Scheme's performance.

Liquidity risk

The Scheme aims to maintain a high proportion of its assets in liquid investments (that can generally be converted to cash within a short period) to support the timely payment of reimbursements to participating employers.

Employer contribution risk

The Scheme relies on participating employers accurately completing returns, in order to calculate the amount of the annual contribution required to ensure appropriate Scheme asset levels. There is a risk that erroneous information provided by participating employers may result in over-contribution or insufficient contribution from time to time. The Scheme takes all reasonable measures to minimise this risk through data validation with employers.

Operational and systems risk

The Scheme relies on various technologies and systems in order to calculate reimbursement payments. There is a risk that technology or systems issues could delay processing or payment of reimbursements.

Is anyone other than participating employers entitled to receive fees or benefits from the Scheme?

The Scheme makes a payment of fees to VCEA for providing support services to the Scheme on a cost-recovery basis.

Various third-party service providers, such as the Scheme's financial advisors, lawyers, actuaries, accountants and auditors, are entitled to be paid fees from the Scheme on a services-rendered basis.

How are complaints by participating employers dealt with?

All complaints by participating employers in relation to the operation of the Scheme are managed in accordance with the Scheme's dispute resolution procedures.

The Complaints Management Policy and Conflict of Interest Policy outline the principles and processes we follow to effectively address concerns and manage potential conflicts in a fair and consistent manner. These policies are available upon request.

Financial reports

The Scheme relies on regulatory relief under ASIC Corporations (Employee Entitlement Schemes) Instrument 2026/199, and is required to publish certain financial statements and supporting documents as a condition for that relief.

The Scheme's most recent financial year ended on 31 December 2025, and the following information about the current financial position of the Scheme is available via the links:

- *balance sheet, profit and loss statement, and cash flow statements for the Scheme's financial year ended 31 December 2025;*
- *notes to the financial statements; and*
- *external auditor's report on the financial statements.*

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