

Attachment S.01 – Full response to item 12.1

Provision Type	Description	If, in a given year, there is an increase in the amount of a provision, provide reasons for this increase, including:			
		(a) the expected timing of any resulting outflows of economic benefits	(b) an explanation of the uncertainties about the amounts or timing of the outflows	(c) supporting consultant's advice, including actuarial reports	(d) if there is no supporting consultant's advice, the process and assumptions ActewAGL used in determining the increase in the provision.
Employee Entitlements	Liability for annual leave and long service leave, and sick leave payable on termination under the <i>ActewAGL and Combined Unions Enterprise Agreement 2011</i> .	Outflows of economic benefits occur when an employee takes annual or long service while in service, or on termination when accumulated annual leave, long service leave and sick leave in excess of 500 hours is paid out. Outflows occur each fortnightly pay period as there are always some employees who take/receive leave payouts in any given pay period.	Where leave is not expected to be taken within twelve months, the outflow is inflated for future salary increases and discounted using an appropriate discount rate. For long service leave, a probability factor is also applied to the leave balance for employees with less than seven years' service, as it is uncertain whether or not the employee will become eligible to take or receive a payout for long service leave. The timing of all leave payments is uncertain, however is based on historical averages.	n/a	<u>Key assumptions</u> Inflation – 3% (in line with current annual salary increases per <i>ActewAGL and Combined Unions Enterprise Agreement 2011</i>) Discount rates – per RBA website, updated monthly LSL probability factor – ranges from 31% to 100% depending on years of service <u>Process</u> 1. Obtain leave data from payroll system 2. Review data for reasonableness, adjust where appropriate 2. Apply relevant discount rates/inflation/probability factors to determine closing liability balance.
Redundancy provision	The redundancy provision is based on planned management	Timing of the redundancy pay outs depend upon negotiation	No uncertainties.	n/a	Calculation is based upon the terms of the enterprise bargaining agreement (EBA)

Attachment S.01 – Full response to item 12.1

	efficiencies	with the staff member who has accepted to redundancy.			
--	--------------	---	--	--	--