



Contract Cleaning Industry
(Portable Long Service Leave) Authority

annual report 2010-2011



OUR MISSION

To be an effective, flexible and equitable provider of portable long service leave benefits for the Contract Cleaning Industry.



OUR VALUES

We are:

Helpful by listening to the needs and expectations of our stakeholders and delivering exceptional customer service

Respectful by being open, fair and consistent in our actions

Tolerant by being sensitive to stakeholder needs and situations and seeking to understand those needs before acting

Diligent by striving to continuously improve outcomes, processes and relationships, and focus attention on what is really important

Trustworthy by acting ethically and honestly, and taking responsibility for our actions

© State of Queensland Contract Cleaning Industry
(Portable Long Service Leave) Authority 2011

The Contract Cleaning Industry (Portable Long Service Leave) Authority was established to administer a paid long service leave scheme for eligible workers in the contract cleaning industry regardless of the number of employers they work for. QLeave administers the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005* on behalf of the Authority. For specific details of the statutory reporting requirements please access the QLeave - Building and Construction Industry (Portable Long Service Leave) Authority Annual Report 2010-2011 at www.qleave.qld.gov.au

Letter of Compliance

31 August 2011

The Honourable Cameron Dick MP
Minister for Education and Industrial Relations
PO Box 15033
City East Qld 4002

Dear Minister

I am pleased to present the Annual Report 2010-2011 for the Contract Cleaning Industry (Portable Long Service Leave) Authority.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- the detailed requirements set out in the *Annual Report Requirements for Queensland Government Agencies*.

A checklist outlining the annual reporting requirements can be found at www.qleave.qld.gov.au

Yours sincerely



Rachel Hunter
CHAIRPERSON
Contract Cleaning Industry (Portable Long Service Leave) Authority

About the Authority

A MESSAGE FROM THE CHAIR AND GENERAL MANAGER

QLearn is the statutory authority responsible for administering the portable long service leave scheme for workers and employers in the contract cleaning industry in Queensland.

The Scheme is established under the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005*, and is funded by a statutory levy on registered employers and the investment of these collected funds. The employer levy is actuarially determined and has remained at 2% of registered workers' ordinary wages since commencement of the Scheme.

At 30 June 2011, 64,696 workers and 785 employers in the contract cleaning industry were registered with the Scheme. Since the inception of the Scheme in 2005, 575 long service leave payments have been made to registered workers and employers, totalling over \$1.2 million.

The Authority's focus for the 2010-11 financial year continued in the areas of client service and financial management within a sound risk management and compliance framework.


We would like to express our appreciation to the Minister, the Hon Cameron Dick MP, and the Government for ensuring legislative provisions facilitate efficient scheme operations and support portable long service leave benefits for the contract cleaning industry in the future.

We would also like to thank the members of the Board, particularly the outgoing deputy chair Robyn Pope and outgoing members Richard Mackenzie and Nicola Adair, for their commitment to the corporate governance frameworks.

As I will not continue as the Chair of the Board in the forthcoming financial year, and on behalf of the other members leaving the Board, I would like to thank the management team for their guidance and support over the past year. It goes without saying that their efforts have been greatly admired and appreciated by the Board.

Looking ahead, industry awareness of the Scheme and employer compliance will remain focuses for the Authority and Board. On 1 July 2011, a portable long service leave scheme for the contract cleaning industry commenced in New South Wales. We will continue to provide advice and support to the New South Wales scheme concerning development and operation.

We will also work to extend the existing Queensland/Australian Capital Territory Reciprocal Agreement to cover the New South Wales scheme so that workers will have their service recognised across all of these jurisdictions.



Rachel Hunter
CHAIRPERSON



Graeme Wilson
GENERAL MANAGER

Strategic Objectives, Indicators and Measurement

Critical areas and goals	Objectives	Indicators	Achieved
Clients/Stakeholders → Workers → Employers → Alliance Partners → Government	Deliver quality client service and communications	→ Stronger relationships with industry stakeholders → Increased awareness and education provided → 100% customer service standards met → 85% customer and stakeholder satisfaction → Growth in use of electronic services → Electronic communication services delivered	✓
Financial Management	Maintain financial accountability and sustainability of the Contract Cleaning Industry (Portable Long Service Leave) Scheme	→ Achieve a net investment return which exceeds Average Weekly Ordinary Time earnings (AWOTE) by at least 3% p.a. when measured over rolling five year periods → Achieve returns that are within +/- 12% of the performance objective on an annual basis → Approved actuarial recommendations actioned → Financial targets achieved → Reporting targets met → Compliance activities monitored	✓
Corporate Governance and Risk Management	Ensure sound corporate governance and risk management frameworks	→ 100% compliance with all statutory obligations → Annual Board governance and performance review → Quality Certification retained ISO 9001:2008 → Business continuity and disaster recovery processes tested annually	✓
Business systems and processes	Continue to develop and improve business systems and processes	→ Identified improvements achieved → Consistency of data used in decision making/planning → Reporting regime implemented	✓

Clients / Stakeholders

Objective: Deliver quality client service and communications to:

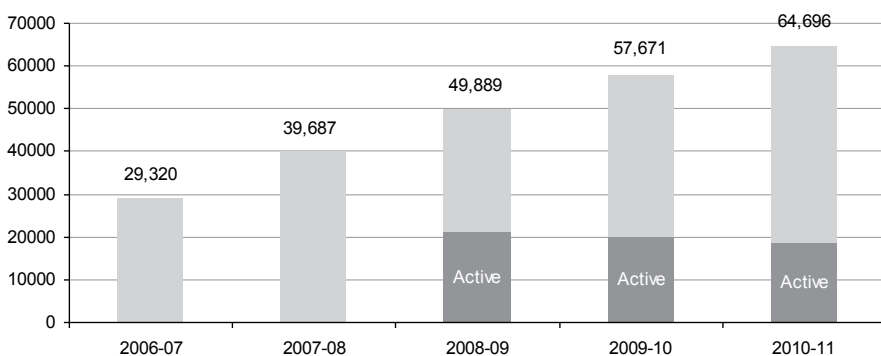
- workers whose service records are maintained and entitlements paid out when a long service leave claim is made
- employers who, by legislation, are required to provide information about their workers' service and pay the portable long service leave levy.

Objective: Manage compliance across levy collection, long service leave payments, employer obligations and worker eligibility.

WORKERS – ACHIEVEMENTS AND PERFORMANCE MEASURES

- At 30 June 2011, there were 64,696 workers registered with the Authority, compared with 57,671 at 30 June 2010.
- Of these, 18,690 were active workers, compared with 19,760 at 30 June 2010. Active workers are workers who have recorded service in one of the previous four quarters.

Worker Registrations 2006-2011

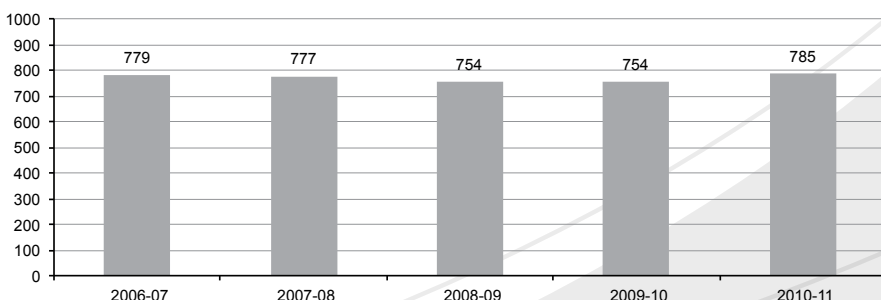


- The Annual Notice of Service was posted, and made available online, to registered workers who had active service in the 2009-10 financial year. The statement shows a worker's record of service credits, their recorded earnings for the financial year and their total service credits since registration, based on the information reported in the quarterly returns.
- A newsletter was distributed with the Annual Notice of Service in October providing general information about the Scheme, contact details for the interpreter service and instructions for checking the notice online.

EMPLOYERS – ACHIEVEMENTS AND PERFORMANCE MEASURES

- At 30 June 2011, 785 employers were registered with the Authority, representing an increase of 31 employers from 30 June 2010.

Employer Registrations 2006-2011

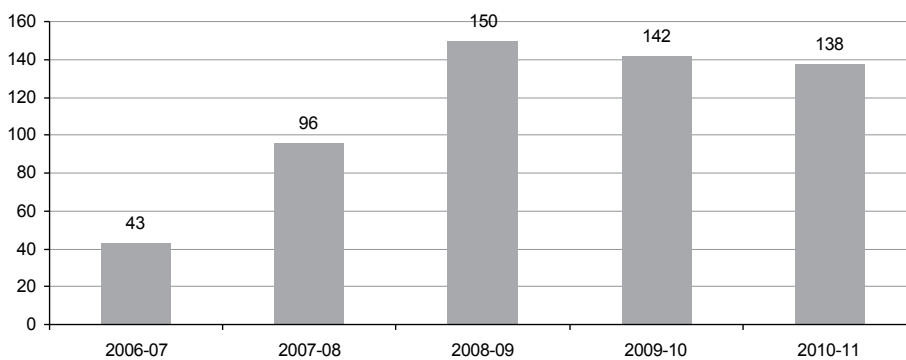


- 78% of employers with quarterly levy payments in excess of \$1,000 used the spreadsheet process to submit their returns electronically.
- Quarterly newsletters were sent to employers in September and December 2010 and March and June 2011. The content of these newsletters focussed on avoiding penalties, options for lodging returns and levy payments and ongoing education relating to eligibility, claims and employer returns.
- The employer newsletters were distributed both electronically and in printed form. The newsletters were also made available on the Authority's website.
- The Authority supported the Building Service Contractors Association of Australia (BSCAA) at their Annual Golf Day, Members' Breakfast, Members' Annual General Meeting and Excellence Awards ceremony.

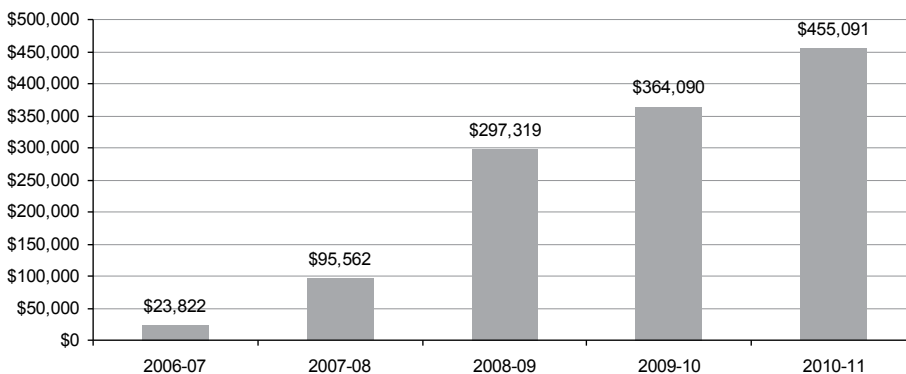
Claims

- From 1 July 2010 to 30 June 2011, long service leave payments were made to the value of \$455,091, comprising:
 - 71 claims paid to registered employers, to the value of \$166,169, compared with 91 claims totalling \$168,921 at 30 June 2010 and
 - 67 claims paid to registered workers, to the value of \$288,922, compared with 51 claims totalling \$195,169 at 30 June 2010.

Number of claims paid per year 2006-11



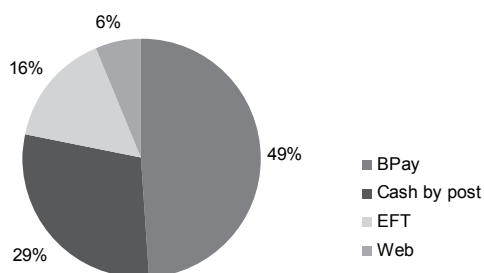
Value of claims paid per year 2006-11



Levy collection

- The employer levy is actuarially managed and has remained at 2% of registered workers' ordinary earnings, since commencement of the Scheme.
- Levy payments totalled \$5,159,000 for the financial year, compared with \$5,030,000 as at 30 June 2010.
- Following the introduction of BPay in the previous financial year, 49% of employers used this facility to pay their quarterly levy in the 2010-11 financial year.

Type of levy payments received 1 July 2010 to 30 June 2011



- The Authority continued to promote electronic lodgement and payment options which assist employers by providing speed and security when meeting their obligations.

Compliance

- During 2010-11, the majority of registered employers complied with legislative requirements.
- Less than 5% of employers incurred a penalty for late lodgement or levy payment. As a result, \$23,280 of penalties and interest were incurred by employers. This represents a decrease of more than 50% on the 2009-10 figure. This decrease is a result of increased employer education regarding penalties, and also an exemption of penalties for the return period following the Queensland floods.
- Compliance staff visited 49 registered employers. These educational visits assisted employers with their understanding of the Scheme and with completion of their quarterly returns.
- The audit compliance program comprised 33 audits of employers with large number of workers and found:
 - 46% of employers audited had no discrepancies in wages declared
 - 33% of employers audited had under-declared wages
 - 21% of employers audited had over-declared wages (and subsequently received a refund).
- Legal Services unit action was required on 45 new matters including complaint and summons matters, debt recoveries, reconsiderations, internal advice requests and statutory advice work. The number of matters is down from 111 in 2009-10.

STRATEGIES FOR 2011-2012

Objective: Deliver quality client service and communications to:

- workers whose service records are maintained and entitlements paid out when a long service leave claim is made
- employers who, by legislation, are required to provide information about their workers' service and pay the portable long service leave levy.

Objective: Manage compliance across employer obligations, levy income, debt management and unregistered employers.

Financial Management

Objective: Maintain financial accountability and sustainability of the Scheme.

Investment Performance

Investment returns play a significant part in ensuring the sustainability of the Scheme. This is necessary to cater for the increase in the long service leave liability and to maintain levy rates at the lowest possible level. As at 30 June 2011, the Scheme has \$24.2 million under fund management with the Queensland Investment Corporation. This represents an increase of \$5.5 million over the 30 June 2010 figure.

The Cash Enhanced Fund returned 6.47% for the year (30 June 2011 balance was \$10.1 million) and the Growth Fund returned 15.80% for the year (30 June 2011 balance was \$14.1 million).

	30 June balance \$	2010-11 Income \$
Cash at Bank	86,695	10,463
Queensland Investment Corporation	24,177,804	2,267,104 *
Totals	24,264,499	2,277,567

*Includes \$2.223 million distribution.

Budget Performance

The operational budget methodology adopted is zero based and is closely monitored on a monthly basis. The administration costs include \$725,000 paid to QLeave to administer the Contract Cleaning Industry (Portable Long Service Leave) Scheme on behalf of the Authority.

Income exceeded original expectations by 15%, while supplies, services and employee expenditure was greater than the budget estimate by 13.5% due to bad debts resulting from employers going into liquidation.

	Actual (\$000s)	Variance to Budget (\$000s)
Levies income	5,182	146
Investment income	2,278	825
Supplies, services and employee expenses	1,043	(124)
Long service leave payments	455	(145)

The total provision for the Scheme's accrued long service leave entitlements at 30 June 2011, as determined by the actuary, was \$10,200,000 which is an increase of \$800,000 (8.5%) from the previous year.

The 2010-11 financial year saw the Authority make an operating surplus of \$5,161,853, mainly due to very good investment returns.

Actuarial Assessment

To determine the appropriate quantum of the levy and to ensure the Authority will be able to meet its short and long-term commitments in funding the Scheme, an actuarial assessment was undertaken prior to the commencement of the Scheme in July 2005. In considering a broad spectrum of relevant financial and industry factors, the actuarial calculation of the initial required levy rate was 2% of workers' ordinary wages. This levy rate included components for Scheme operating expenses and retrospective benefits.

A full actuarial assessment is performed every two years. This verifies the Scheme's financial viability, including the appropriateness of the levy rate. Additionally, it predicts, as accurately as possible, whether investment strategies will continue to maintain sufficient monetary reserves to meet future commitments for long service leave payments.

The last actuarial assessment conducted in 2009-10 reported that the Scheme was in a sound financial position. A full actuarial assessment is due to be undertaken during 2011-12 based upon 30 June 2011 scheme data. This report will be sent to the Authority's Investment Consultant to review the Authority's investment objectives and strategy, and implications for long-term funding requirements.

STRATEGIES FOR 2011-12

Maintain financial accountability and sustainability of the Scheme through:

- prudent investment management
 - management of scheme funds in accordance with actuarial advice
 - proactive financial and budget management.
-

Corporate Governance and Risk Management

Objective: Sound corporate governance and risk management frameworks.

Under the provisions of the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005* ('the Act'), the Contract Cleaning Industry (Portable Long Service Leave) Authority ('the Authority') is governed by a board of directors ('the Board'). The Board reports to the Minister for Education and Industrial Relations at specified quarterly intervals concerning the Authority's operational and financial performance.

The Contract Cleaning Industry (Portable Long Service Leave) Scheme ('the Scheme') is administered by QLeave, on behalf of the Authority. QLeave is remunerated for this administration under the terms of an Administration and Cost Sharing Agreement, executed by the Authority's board and QLeave's board.

The core role of the Board is responsibility for the Authority's commercial policy and management. The Board's other functions include:

- ensuring that, as far as possible, the Authority achieves and acts in accordance with its goals and objectives outlined in its Corporate Plan, and
- ensuring the Authority performs its functions in an appropriate, effective and efficient way.

The Board determines the strategic directions of the Authority, oversees the development of the Corporate Plan which outlines the Authority's objectives, and monitors the Authority's financial and operational performance.

The Board operates under the provisions of the Act and other governing legislation, and within the parameters of the Board Guidelines forming part of the Board's governance policy. The Board Guidelines contain protocols governing:

- the conduct of Board meetings
- the management of the Authority's investment strategy and objectives
- the audit timetable and
- official misconduct.

The Board Guidelines are reviewed annually and amended to reflect changes in governing legislation, operational requirements and corporate governance principles. Board members are provided with a copy of the Board Guidelines at their initial induction and on each occasion that the Guidelines are amended.

Composition of the Board

The Board consists of not more than eight directors who are appointed by the Governor-in-Council for terms of three years. It is comprised of the following directors:

- (a) the chairperson
- (b) the deputy chairperson, who must have knowledge of, and experience in, commerce, economics, finance or management
- (c) two or three directors representing employers in the contract cleaning industry
- (d) two or three directors representing workers who perform contract cleaning work.

The current term of the Board commenced on 1 July 2008 and expired on 30 June 2011. Directors are eligible for reappointment on completion of their terms.

Remuneration

Directors receive remuneration within Category E1 (business activities relating to single operations) of the *Queensland Government's Remuneration of Part-time Chairs and Members of Government Boards, Committees and Statutory Authorities*.

Board meetings

The Board met formally on five occasions during 2010-11, in August and November 2010, and February, May and June 2011. It passed 95 resolutions concerning the governance, operations, risk and financial management of the Authority, together with strategic direction and input into the 2011-15 Corporate Plan.

The Board is provided with operational and financial performance reports which are prepared on criteria assessed against the Corporate Plan and budget, as approved by the Minister.

There is a structured process for identifying, evaluating and managing the Authority's potential financial and operational risk. This process is regularly reviewed by the Board in conjunction with the internal and external auditors.

As required by legislation, and in the interests of the Authority, minutes of each Board meeting, containing all resolutions of the Board, are recorded and stored both on and off-site. Under the provisions of the *Public Records Act 2002*, archive copies of Board meeting documentation are provided to Queensland State Archives, with copies of Board publications being provided to the State Library of Queensland and the Queensland Parliamentary Library.

Directors' attendance at meetings 2010-11

Director	Meetings attended
Rachel Hunter	5
Robyn Pope	4
Richard Mackenzie	5
Nicola Adair	5
Jane Cartwright	4
Damien Davie	3

Note: Damien Davie was appointed as Director on 26 August 2010.

The Board and QLeave's Management

The Authority's Board and QLeave's executive management enjoy a cooperative, open and supportive relationship. The Board is kept fully apprised of all matters pertaining to the Authority's operational and financial position. The individual expertise of each board member is often called upon by the Authority's executive management in making recommendations to the Board. The Board relies upon the expertise of QLeave's executive management in administering the Scheme and in making appropriate operational decisions.

The Board comprises representatives of the Scheme's major stakeholders. Accordingly, the specific and periodically competing interests of worker and employer stakeholder groups are communicated to the Board, with the aim of achieving a balance between the interests of stakeholders and the long-term viability of the Scheme.

Board members are selected for their expertise and/or experience in the contract cleaning industry. Each board member is encouraged to undertake the Company Director's course, or related courses to enhance their professional development. The Authority meets the costs for all directors who wish to undertake professional development.

Issues for the Board

Issues for the Board during 2010-11 included:

- Regulation amendment – the Board recommended that section 4 of the *Contract Cleaning Industry (Portable Long Service Leave) Regulation 2005* be amended to reflect the change in the industry classification level at which long service leave claims are paid, following the transition from a state to a federal award. The Governor-in-Council approved the amendment on 17 March 2011.
- Review of Board Guidelines – the Board reviewed its Guidelines in relation to relevance, accuracy and amendments to the governing legislation associated with Queensland Government boards.
- Marketing Plan 2011-12 – looking ahead, the Board has placed an emphasis on awareness of the Scheme, education and improved stakeholder engagement throughout the industry.
- Compliance Plan 2011-12 – the Board is mindful of the tight margins for contracts and the economic sensitivity within the industry. Employers identified as being at high financial risk are being closely monitored to ensure that all levies are paid.
- New South Wales scheme – a portable long service leave scheme, for the contract cleaning industry, commenced in New South Wales on 1 July 2011. The Queensland scheme will continue to provide advice and support to the New South Wales scheme concerning development and operation.
- Board reappointment – the Board's term of appointment expired on 30 June 2011. A new board was appointed as of 1 July 2011. The Board is mindful of continuing the highest quality of representation for both workers and employers in the industry, to ensure industry issues are addressed and the Scheme operates at optimum efficiency.

2010-11 Board Performance Assessment

The Board undertook its annual self-assessment in June 2011. Overall, the Board's assessment of its achievements and performance was sound, with the average score being 4.9 out of 5, against the selected criteria. The Board has identified strategic planning, levy compliance, risk management, stakeholder engagement and continuing professional development as issues for focus during 2011-12.

Internal Audit

QLeave's in-house, internal audit function provides an independent, objective assurance and consulting service to add value and improve the Authority's operations and business practices. Internal Audit reports directly to the Board.

Internal Audit's role is to support the governance responsibilities of oversight, insight and foresight. It provides an unbiased, objective assessment to ensure that public resources are responsibly and effectively managed to achieve intended results.

Internal auditing is carried out in accordance with the annual Internal Audit Plan. Audits are undertaken on the financial resources, information and communication technology resources and the Authority's operational activities.

The Board



Rachel Hunter, Chair BA DipEd BEdSt MBA DUniv

Rachel retired from the Queensland Public Service in July 2010, following a career of nearly 34 years. She was the Director-General of the Department of Justice and Attorney-General. Prior to this, she served as Director-General of the Department of Education, Training and the Arts and previously held the position of Director-General of the Department of Justice and Attorney-General from 2003 to 2006. She has also served as Queensland's Public Service Commissioner.

Rachel has extensive experience in the vocational, education and training sector, initially as a teacher and then in a variety of management roles, including Institute Director positions. Rachel was the Director of the Southbank Institute of TAFE and concurrently, the Chair of TAFE Queensland.



Robyn Pope, Deputy Chair

Robyn has been Deputy Chair of the Board since July 2005.

She has more than 30 years experience with public sector agencies. Robyn was previously General Manager Executive and Strategic Services, Department of Industrial Relations and prior to that General Manager Strategic Human Resources, Department of Employment and Training.

Since leaving the public service in 2005, Robyn has undertaken sessional work with the University of Sunshine Coast and has provided consulting services to two government departments in the area of organisational management. She now concentrates on providing voluntary services to community projects.

Her academic qualifications include a Masters in Business Administration.



Richard Mackenzie

Rick was formerly the National Chief Executive Officer of the Building Services Contractors Association of Australia (BSCAA) and is an employer representative on the Board.

He has over 30 years experience in the contract cleaning industry having owned his own cleaning business, employing in excess of 500 staff. He has also run a successful consultancy business servicing building services companies across Australia. He has a keen interest in the continual development and growth of the building services industry.

Rick has been a Queensland State President of BSCAA for 10 years, National President for two years, National Vice-President for two years, National Treasurer for four years and a National Board Member for 21 years. For many years he was the Chairperson of the BSCAA Queensland Industrial Relations Sub-Committee.



Nicola Adair

Nicola is an employer representative on the Board.

She has 12 years experience in the contract cleaning industry having co-owned a cleaning company. Her most recent position was as General Manager, Gold Coast Division of Reflections Group Services Pty Ltd, a national contract cleaning company.

She is a member of the Building Services Contractors Association of Australia (BSCAA) and is Chairperson of BSCAA Gold Coast Regional Committee.



Jane Cartwright

Jane is a worker representative on the Board.

For the past eight years, she has been an employee of United Voice (previously Liquor, Hospitality and Miscellaneous Union – LHMU), as a Lead Organiser representing the contract cleaning workers in Queensland, and as a Contracting Organiser covering cleaning, security, catering and car park workers.

In her various roles within the union, Jane has been involved in the negotiation of industrial instruments with key contracting industry stakeholders including employer associations and major contractors. She was intricately involved in the initial phases of the successful CleanStart campaign run by the national body of the LHMU.

Always having had an enthusiasm for community involvement, Jane is an active Justice of the Peace, and is heavily involved in fundraising for various not-for-profit organisations.



Damien Davie

Damien is a worker representative on the Board.

For four years he was an Organiser for United Voice (previously Liquor, Hospitality and Miscellaneous Union – LHMU). In 2008 he became Coordinator of the Union's Property Services Division covering contract cleaning, security and catering.

Damien is a member of United Voice's national Strategic Steering Group who are responsible for developing policies for wages and conditions for contract cleaners.

Business Systems and Processes

Objective: Continue to develop and improve business systems and processes.
Maintain an effective quality management system.

ACHIEVEMENTS AND PERFORMANCE MEASURES

Information Services

- Restructuring of the website home page has allowed easier and faster navigation to online services.
- A new PABX and telephony software was installed to better manage call volumes.

Quality

QLeave continues to embrace the Australian Business Excellence framework, which enables the concepts of Total Quality Management to be used to improve work practices and daily operational performances. QLeave strives for continual improvement and these practices assure the organisation of meeting the ongoing and future requirements of its clients.

QLeave underwent a recertification audit on 6 December 2010. The audit determined that the Quality Management System is documented, continues to be implemented and improved and meets the requirements of ISO 9001:2008.

The next review is scheduled for December 2011 and will be a continuing assessment of QLeave's management system against the requirements of ISO 9001:2008.

STRATEGIES FOR 2011-12

Identify and implement business process improvements to provide:

- increased efficiencies in service delivery
- flexibility in systems, services and processes
- greater client interaction through eBusiness
- leverage from technologies.

Ensure management information systems support:

- performance management
- planning and forecasting
- decision making and reporting.

Maintain an effective quality management system.

Financial Statements 2010 - 2011

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STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
Income from Continuing Operations			
Portable long service leave levies	1(d)	5,182	5,084
Other revenue		-	1
Income from investments	2	2,223	955
Interest		10	10
Net gain on financial assets	3	44	39
Total Income from Continuing Operations		7,460	6,088
Expenses from Continuing Operations			
Employee expenses	5	5	3
Supplies and services	6	1,038	837
Portable long service leave scheme benefits	12	1,255	2,810
Total Expenses from Continuing Operations		2,298	3,650
Operating Results from Continuing Operations		5,162	2,438
Other Comprehensive Income		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income		5,162	2,438

The accompanying notes form part of these statements.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2011

	Notes	2011 \$'000	2010 \$'000
Current Assets			
Cash and cash equivalents	7	87	217
Receivables	1(c), 8	2,416	1,776
Financial assets	9	24,178	18,685
Other	10	2	-
Total Current Assets		26,683	20,678
Total Assets		26,683	20,678
Current Liabilities			
Payables	1(g), 11	255	212
Employee benefits			
Provision for scheme benefits:			
Expected to be settled within 12 months	12	600	600
Expected to be settled after 12 months	12	1,800	2,000
Total Current Liabilities		2,655	2,812
Non Current Liabilities			
Provision for scheme benefits	12	7,800	6,800
Total Non Current Liabilities		7,800	6,800
Total Liabilities		10,455	9,612
Net Assets		16,227	11,065
Equity			
Accumulated surplus	18	16,227	11,065
Total Equity		16,227	11,065

The accompanying notes form part of these statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2011

	Accumulated Surplus \$'000	Total Equity \$'000
Balance as at 1 July 2009	<u>8,628</u>	<u>8,628</u>
Operating Result from Continuing Operations	<u>2,438</u>	<u>2,438</u>
<i>Total Other Comprehensive Income</i>	-	-
Balance as at 30 June 2010	<u><u>11,065</u></u>	<u><u>11,065</u></u>
Balance as at 1 July 2010	<u>11,065</u>	<u>11,065</u>
Operating Result from Continuing Operations	<u>5,162</u>	<u>5,162</u>
<i>Total Other Comprehensive Income</i>	-	-
Balance as at 30 June 2011	<u><u>16,227</u></u>	<u><u>16,227</u></u>

The accompanying notes form part of these statements.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
Interest received		11	9
Portable long service leave levies received		4,133	4,996
Sundry income received		-	1
GST refunded from ATO		84	79
<i>Outflows:</i>			
Payments for employee expenses		(5)	(3)
Payments for supplies and services		(944)	(786)
Portable long service leave payments		(452)	(373)
GST paid for supplies and services		(87)	(98)
Net cash provided by (used in) operating activities	13	2,740	3,824
Cash flows from investing activities			
<i>Inflows:</i>			
Proceeds from investments		2,678	747
<i>Outflows:</i>			
Purchase of investments		(5,493)	(4,373)
Investment expenses paid		(56)	(32)
Net cash provided by (used in) investing activities		(2,871)	(3,658)
Net increase (decrease) in cash and cash equivalents		(130)	167
Cash and cash equivalents at beginning of financial year		217	50
Cash and cash equivalents at end of financial year	7	87	217

The accompanying notes form part of these statements.

Contract Cleaning Industry (Portable Long Service Leave) Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2010-11

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Contract Cleaning Industry (Portable Long Service Leave) Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2010-11

Objectives and Principle Activities of the Authority

The objective of the Contract Cleaning Industry (Portable Long Service Leave) Authority (Authority) is to administer a paid long service leave scheme for eligible workers within the contract cleaning industry in accordance with the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005*.

The Authority is funded by a 2% levy imposed on worker wages and the income earned on the investment of these funds.

1. Summary of Significant Accounting Policies

(a) Statement of Compliance

The Authority has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*.

The financial statements are for the Authority as a single entity. The Authority is a non-for-profit statutory body established in 2005 and reported to the Minister for Education and Industrial Relations.

These financial statements are a general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations, other authoritative pronouncements and complies with the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005*. Except where stated, the historical cost convention is used.

(b) Cash and Cash Equivalents

For the purpose of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions.

Cash and cash equivalents includes investments that are readily convertible to cash on hand at the Authority's option.

(c) Receivables

Trade debtors are recognised at the amounts due at the end of a return quarter. Settlement of these amounts is required within 14 days from the end of the quarter.

The collectability of receivables is assessed periodically with allowance being made for impairment. There was one significant and some minor amounts written off for the year as at 30 June. These bad debts were on account of employers who went into liquidation. There is no requirement to increase the allowance for impairment. Note 20.

Other debtors generally arise from transactions outside the usual operating activities and are recognised at their assessed values. Terms are, generally 7 days from invoice date, no interest is charged and no security is obtained.

(d) Revenue Recognition

Revenue is recognised, where it can be reliably measured, in the period to which it relates. Levy revenue applicable to the last quarter, April to June 2011, has been estimated and accrued, based on levies received for the previous three quarter return periods.

(e) Property, Plant and Equipment

The Authority holds no physical assets.

(f) Intangible Assets

The Authority holds no intangible assets.

(g) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price. Amounts owing are unsecured and are generally settled within 30 days.

(h) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Authority becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - held at fair value through profit and loss
- Receivables - held at amortised cost
- Financial assets - held at fair value through profit and loss
- Payables - held at amortised cost

All other disclosures relating to the measurement and financial risk management of financial instruments held by the Authority are included in Note 20.

(i) Employee Benefits

The Authority does not employ staff at the operational level. The General Manager of the Authority is the person appointed as the general manager of the Building and Construction Authority and manages the business of Contract Cleaning Industry Authority. Costs incurred on the Statement of Comprehensive Income under employee expenses represent committee attendance fees for board members.

(j) Portable Long Service Leave Scheme Benefits

The long service leave liability of the scheme was determined via actuarial assessment as required by the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005*. The liability has been recorded both as a current liability and as a non current liability and in accordance with AASB 101 *Presentation of Financial Statements* whereby the current liability represents any amount of scheme benefits liability for which QLeave does not have an unconditional right to defer settlement for at least twelve months after the reporting date. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using an appropriate discount rate. Refer Note 12.

(k) Insurance

The Authority's risks are insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis. In addition, the Authority pays premiums to WorkCover Queensland in respect of its obligations for compensation.

(l) Taxation

The activities of the Authority are exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). GST credits receivable from, and GST payable to the ATO, are recognised. Refer Note 8. The collection of levies is not subject to GST.

(m) Issuance of Financial Statements

The financial statements are authorised for issue by the Chair of the Authority's Board and the General Manager QLeave at the date of signing the Management Certificate.

(n) Judgements

The Authority's judgements and assumptions are based upon actuarial assessments for the portable long service leave scheme benefits.

Contract Cleaning Industry (Portable Long Service Leave) Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2010-11

An actuarial investigation of funds is required to be undertaken in accordance with Section 42 (1) of the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005* at intervals of at least every two years to investigate the sufficiency of the Authority's funds and the adequacy of the rate of long service leave levy. The Authority ensures an independent actuarial assessment is undertaken annually.

An independent actuarial assessment was completed in February 2011 utilising 30 June 2010 worker data. Actuarial assumptions used in the assessment of the total liability for accrued normal and retrospective service credits included earning rates on investments, rate of salary inflation, rates of leaving industry and in service claim rates, rates of death and retirement, future accrual of certificate credits, wage rates and operating expenses. All of the above impact on the resulting provision required for scheme benefits. The outcome of this assessment was that the scheme was in a healthy financial position.

Annually the actuary recommends an amount to be included in the Authority's financial statements for accrued long service leave entitlements as at the end of the financial year. The figures are provided as current and non current liabilities in accordance with AASB 101 *Presentation of Financial Statements*. Refer Note 12.

(o) Rounding and Comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required. Sub-totals and totals may not add due to rounding.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(p) New and Revised Accounting Standards

The Authority did not voluntarily change any of its accounting policies during 2010-11.

The Authority is not permitted to early adopt a new accounting standard ahead of the specified commencement date unless approval is obtained from the Treasury Department. Consequently, the Authority has not applied any Australian accounting standards and interpretations that have been issued but are not yet effective. The Authority will apply these standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, significant impacts of new or amended Australian accounting standards with future commencement dates are as set out below.

AASB 9 *Financial Instruments* (December 2010) and AASB 2010-07 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] become effective from reporting periods on or after 1 January 2013. The main impacts of these standards are that they will change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at either amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset may be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principle and interest on the principal amount outstanding.

On initial application of AASB 9, the Authority will need to re-assess the measurement of its financial assets against the new classification and measurement requirements, based on the facts and circumstances that exist at that date. Assuming no change in the types of transactions the Authority enters into, it is not expected that any of the Authority's financial assets will meet the criteria in AASB 9 to be measured at amortised cost. Therefore, as from the 2013-14 financial statements, all of the Authority's financial assets will be required to be classified as "financial assets required to be measured at fair value through profit or loss" (instead of the measurement classifications presently used in notes 1 (h) and 20). The same classification will be used for net gains/losses recognised in the Statement of Comprehensive Income in respect of those financial assets. In the case of the Authority's receivables, the carrying amount is considered to be a reasonable approximation of fair value.

AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052) apply to reporting periods beginning on or after 1 July 2013. AASB 1053 established a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two tiers of reporting requirements - Australian Accounting Standards (commonly referred to as "tier 1"), and Australian Accounting Standards - Reduced Disclosure Requirements (commonly referred to as "tier 2").

Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the tier 1 and tier 2 requirements is that tier 2 requires fewer disclosures than tier 1. AASB 2010-2 sets out the details of which disclosures in standards and interpretations are not required under the tier 2 reporting.

Pursuant to AASB 1053, public sector entities like the Authority may adopt tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the tier 1 requirements. In the case of the Authority, the Treasury Department is the regulator. Queensland Treasury's policy position is to require all departments and statutory bodies captured within the whole-of-government financial statements to adopt tier 1 reporting requirements. The Authority is a statutory body not captured within the whole-of-government financial statements as it is totally self funded and may elect to adopt tier 2 reporting requirements. In compliance with Treasury's policy which prohibits the early adoption of new and revised accounting standards, the Authority has not early adopted AASB 1053.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Authority's activities, or have no material impact on the Authority.

Contract Cleaning Industry (Portable Long Service Leave) Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2010-11

	2011 \$'000	2010 \$'000
2. Income/Loss from Investments		
Queensland Investment Corporation Cash Enhanced Fund		
Distribution	532	378
Queensland Investment Corporation Growth Fund		
Distribution	1,691	577
Queensland Treasury Corporation	-	-
Total	2,223	955
3. Net Gain/Loss on Financial Assets		
Movement in Financial Assets		
<i>Queensland Investment Corporation Cash Enhanced Fund</i>		
Balance at 30 June	10,094	10,008
Balance at 1 July	10,008	12,011
Movement	86	(2,003)
<i>Queensland Investment Corporation Growth Fund</i>		
Balance at 30 June	14,084	8,677
Balance at 1 July	8,677	2,303
Movement	5,407	6,375
Total Movement	5,493	4,373
Movement in Financial Assets	5,493	4,373
<i>Queensland Investment Corporation Cash Enhanced Fund</i>		
Distributions paid	(532)	(378)
Distribution paid current year on account of previous year	(238)	(139)
Distributions shown in statement yet to be paid	168	238
Transfers to Growth Fund	-	2,250
Distributions Transferred to Growth Fund	364	278
Fund Management Fees	43	18
<i>Queensland Investment Corporation Growth Fund</i>		
Deposits	(3,965)	(3,660)
Redemptions	40	-
Transfers from Cash Enhanced Fund	-	(2,250)
Distributions reinvested	(1,691)	(577)
Distribution paid current year on account of previous year	(173)	(25)
Distributions shown in statement yet to be paid	882	173
Distributions Transferred from Cash Enhanced Fund	(364)	(278)
Fund Management Fees	17	16
Total	44	39

4. Related Parties

Directors of the Authority are appointed for a three year period and the following persons held the position of Director during the year ended 30 June 2011.

Ms Rachel Hunter	Chair
Ms Robyn Pope	Deputy Chair
Mr Richard Mackenzie	Employer Representative
Ms Nicola Adair	Employer Representative
Mr Damien Davie	Worker Representative
Ms Jane Cartwright	Worker Representative

Contract Cleaning Industry (Portable Long Service Leave) Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2010-11

Apart from the details disclosed in these financial statements, no Director has entered into a material contract with the Authority. Ms Hunter is the former Director-General of the Department of Justice and Attorney General.

Ms Pope is a private consultant.

Mr MacKenzie and Ms Adair are both members of the Building Service Contractors' Association of Australia.

Mr Davie and Ms Cartwright are both employed by the United Voice Union. Mr Davie is the Property Services Coordinator and Ms Cartwright is a Lead Organiser.

	2011 \$'000	2010 \$'000
5. Directors Remuneration		
Total remuneration of directors	5	3

Excluding Ms R Hunter, Ms R Pope and Ms Adair, all payments for committee attendance were made to a related entity of the Director (union or employer association).

6. Supplies and Services

Advertising/Promotions	18	12
Agency fees - QLeave	725	695
Auditor's remuneration - Queensland Audit Office *	10	11
Consultancy charges (including Actuarial fees)	12	31
Contractor charges	33	4
Funds manager and trustee charges	58	33
General administration	7	8
Travel costs	8	11
Printing & photocopying	14	13
Postage & freight	12	13
Bad and doubtful debts	141	8
Total	1,038	837

* There were no non-audit services provided by the Authority's auditors.

7. Cash and Cash Equivalents

Cash at bank	87	217
Total	87	217

Interest earned on cash held with the Commonwealth Bank was 3.92% in 2011 (2010 2.92%).

8. Receivables

Levy Debtors	64	93
Less: Provision for impairment	(25)	(25)
	39	68
Accrued Revenue *	2,337	1,669
GST Receivable	40	38
Total	2,416	1,776

* Comprises Queensland Investment Corporation 4th quarter distribution of \$1,050 million and levy revenue for the 4th quarter of \$1,286 million.

Movement in the allowance for impairment

Balance at the beginning of the year	25	25
Amounts written off during the year	141	8
Increase/decrease in allowance recognised in profit or loss	(141)	(8)
Balance at the end of the year	25	25

Contract Cleaning Industry (Portable Long Service Leave) Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2010-11

	2011 \$'000	2010 \$'000
9. Financial Assets		
Queensland Investment Corporation - Cash Enhanced Fund (at market value)	10,094	10,008
Queensland Investment Corporation - Growth Fund (at market value)	14,084	8,677
Total	24,178	18,685
10. Other Current Assets		
Prepayments	2	-
Total	2	-
11. Payables		
Trade Creditors	213	196
Accrued Charges	42	17
Total	255	212
12. Provision for Scheme Benefits		
Current		
Provision for long service leave - expected to be settled within 12 months (measured at actual value)	600	600
Provision for long service leave - expected to be settled after 12 months (measured at present value)	1,800	2,000
Total	2,400	2,600
Non-Current		
Provision for long service leave (measured at present value)	7,800	6,800
Total	7,800	6,800
Movements in Provisions		
Balance as at 1 July	9,400	6,954
Additional provision recognised	1,255	2,810
Reductions in provisions as a result of payments	(455)	(364)
Balance at the end of the year	10,200	9,400
	2011	2010
Scheme eligible members as at 30 June were:	64,696	57,671
The financial assumptions used in the actuarial valuation of Scheme Member Benefits were:		
	%	%
Investment return	6.5	10.0
Rate of pay inflation	5.0	5.0
Long term real return	1.5	5.0

Contract Cleaning Industry (Portable Long Service Leave) Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2010-11

	2011 \$'000	2010 \$'000
13. Reconciliation of Operating Surplus (Deficit) to Net Cash from Operating Activities		
Surplus (Deficit) from ordinary activities	5,162	2,438
Adjustments for Non-Cash items:		
PLSL Scheme Benefits	800	2,446
Adjustments for Investment items:		
Investment Loss (Income)	(2,678)	(747)
Investment Expenses	56	32
Changes in Assets and Liabilities:		
(Increase) decrease in Receivables	(640)	(338)
(Increase) decrease in Prepayments	(2)	1
Increase (decrease) in Payables	43	(8)
Net cash from operating activities	2,740	3,824

14. Finance/Borrowing Costs

The Authority has no credit standby arrangements or long-term financing facilities.

15. Segment Information

The Authority provides for portability of long service leave for eligible workers in the Contract Cleaning Industry. It operates solely within the State of Queensland.

16. Contingent Assets and Liabilities

As at 30 June 2011, there were no contingent assets or contingent liabilities.

	2011 \$'000	2010 \$'000
17. Consultants		
The Authority, in order to assist in the management of the scheme, expended the following on Consultants:		
Finance/Accounting (including actuarial fees)	12	23
Legal	0	8
Total	12	31

18. Equity

Retained Surplus

Opening balance	11,065	8,628
Net surplus	5,162	2,438
Closing balance	16,227	11,065

19. Events Occurring after Balance Date

There has been no event occurring after balance date.

Contract Cleaning Industry (Portable Long Service Leave) Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2010-11

20. Financial Instruments

(a) Categorisation of Financial Instruments

The Authority has the following categories of financial assets and financial liabilities:

Category	Note	2011 \$'000	2010 \$'000
Financial Assets			
Cash and cash equivalents	7	87	217
Receivables	8	2,416	1,776
Financial assets	9	24,178	18,685
Total		26,680	20,678
Financial Liabilities			
Payables	11	255	212
Total		255	212

(b) Financial Risk Management

The Authority's activities expose it to a variety of financial risks - credit risk, liquidity risk, market risk and interest rate risk.

Financial risk management is implemented pursuant to the Authority's Investment Policy. This policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Authority.

The Authority measures risk exposure using a variety of methods as follows -

Risk Exposure	Measurement Method
Credit risk	Ageing analysis, earnings at risk
Liquidity risk	Sensitivity analysis
Market risk	Interest rate sensitivity analysis

(c) Credit Risk Exposure

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment.

The following table represents the Authority's maximum exposure to credit risk based on contractual amounts net of any allowances:

Maximum Exposure to Credit Risk

Category	Note	2011 \$'000	2010 \$'000
Financial Assets			
Cash and cash equivalents	7	87	217
Receivables	8	2,416	1,776
		2,502	1,993

No collateral is held as security and no credit enhancements relate to financial assets held by the Authority.

The Authority manages credit risk through the use of a credit management strategy. This strategy ensures all funds owed are monitored on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

Contract Cleaning Industry (Portable Long Service Leave) Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2010-11

20. Financial Instruments (cont'd)

(c) Credit Risk Exposure (cont'd)

The method for calculating any provisional impairment for risk is based on past experience, current and expected changes in economic conditions and changes in client credit ratings. The main factors affecting the current calculation for provisions are disclosed below as loss events. These economic and geographic changes form part of the Authority's documented risk analysis assessment in conjunction with historic experience and associated industry data.

Recognised impairment loss for 2011 was \$141,419 (2010 \$8,279).

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated. All individually impaired assets were with the Authority's legal services section for appropriate action.

Section 87 of the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005* provides for charging of interest on unpaid levies under certain circumstances and Section 65 provides for penalty charges for late submission of quarterly returns and payments.

Application of the charging of interest is discretionary and on this basis receivables are not considered an interest bearing financial asset. Interest and penalty charges totalled \$23,280 in 2011 (\$53,390 in 2010). Penalties waived totalled \$5,700 in 2011 (\$8,900 in 2010).

Aging of past due but not impaired as well as impaired financial assets are disclosed in the following tables:

2011 Financial Assets Past Due But Not Impaired

	Overdue				Total
	Less than	30-60	61-90	More than	
	30 Days	Days	Days	90 Days	
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Receivables	-	4	2	-	6
Total	-	4	2	-	6

2010 Financial Assets Past Due But Not Impaired

	Overdue				Total
	Less than	30-60	61-90	More than	
	30 Days	Days	Days	90 Days	
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Receivables	-	-	-	47	47
Total	-	-	-	47	47

2011 Individually Impaired Financial Assets

	Contractual Repricing/ Maturity Date:				Total
	Overdue				
	Less than	30-60	61-90	More than	
	30 Days	Days	Days	90 Days	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Receivables (gross)	-	1	1	31	33
Allowance for impairment	-	-	-	(25)	(25)
Total	-	1	1	6	8

Contract Cleaning Industry (Portable Long Service Leave) Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2010-11

20. Financial Instruments (cont'd)

(c) Credit Risk Exposure (cont'd)

2010 Individually Impaired Financial Assets

	Overdue				Total \$'000
	Less than 30 Days \$'000	30-60 Days \$'000	61-90 Days \$'000	More than 90 Days \$'000	
Financial Assets					
Receivables (gross)	-	-	3	44	47
Allowance for impairment	-	-	-	(25)	(25)
Total	-	-	3	19	22

(d) Liquidity Risk

The Authority is exposed to liquidity risk in respect of its payables (including payment of long service leave claims).

The Authority manages liquidity through the use of a liquidity management strategy. This strategy aims to reduce exposure to liquidity risk by ensuring the Authority has sufficient funds available to meet employee, supplier and scheme recipient obligations as they fall due. This is achieved by ensuring that appropriate levels of cash are held within various accounts in accordance with the Authority's investment strategy so as to meet the expected liabilities.

The following tables sets out the liquidity risk of financial liabilities held by the Authority.

	Note	2011 Payable in			Total \$'000
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	
Financial Liabilities					
Payables	11	255	-	-	255
Total		255	-	-	255

	Note	2010 Payable in			Total \$'000
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	
Financial Liabilities					
Payables	11	212	-	-	212
Total		212	-	-	212

Contract Cleaning Industry (Portable Long Service Leave) Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2010-11

20. Financial Instruments (cont'd)

(e) Market Risk

The Authority is exposed to market risk through investments with Queensland Investment Corporation (QIC). The Authority is exposed to adverse movements in the level and volatility of the financial markets in respect to these investments. The Authority's investment policy statement is reviewed annually to ensure that an appropriate asset allocation exists to give expected returns for given level of risk over time.

The following market sensitivity analysis reflects the outcome to profit and loss if investment returns would change by +/- 3% from forecasted returns by QIC. These fluctuations are considered appropriate given the current economic and market climate. With all other variables held constant, the Authority would have a surplus/(deficit) and equity increase/(decrease) of \$725,000 (2010: \$561,000). This is attributable to the Authority's exposure to investment returns held with QIC's B656 cash enhanced and growth fund.

Financial Instruments	Carrying Amount \$'000	2011 Market rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
QIC - Cash Enhanced Funds	10,094	(303)	(303)	303	303
QIC - Growth Fund	14,084	(422)	(422)	422	422
Potential Impact		(725)	(725)	725	725

Financial Instruments	Carrying Amount \$'000	2010 Market rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
QIC - Cash Enhanced Funds	10,008	(300)	(300)	300	300
QIC - Growth Fund	8,677	(260)	(260)	260	260
Potential Impact		(561)	(561)	561	561

(f) Interest Rate Sensitivity Analysis

The following interest rate sensitivity analysis reflects the outcome to profit and loss if interest rates would change by +/- 1% from year end rates applicable to the Authority's cash assets. These fluctuations in interest rates are considered appropriate given the current economic and market climate. With all other variables held constant, the Authority would have a \$1,000 surplus/(deficit) and equity increase/(decrease) (2010: \$2,000).

Financial Instruments	Carrying Amount \$'000	2011 Interest rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Cash and cash equivalents	87	(1)	(1)	1	1
Potential Impact		(1)	(1)	1	1

Financial Instruments	Carrying Amount \$'000	2010 Interest rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Cash and cash equivalents	217	(2)	(2)	2	2
Potential Impact		(2)	(2)	2	2

Contract Cleaning Industry (Portable Long Service Leave) Authority
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2010-11

20. Financial Instruments (cont'd)

(g) Fair Value

The recognised fair values of financial assets and liabilities are classified according to the following fair value hierarchy that reflects the significance of the inputs used in making these measurements:

Level 1 - fair values that reflect unadjusted quoted prices in active markets for identical assets/liabilities;

Level 2 - fair values that are based on inputs that are directly or indirectly observable for the asset/liability (other than unadjusted quoted prices); and

Level 3 - fair values that are derived from data not observable in a market.

According to the above hierarchy, the fair values of each class of asset/liability recognised at fair value are as follows:

2011 Recognised Fair Value Assets/Liabilities

Class	Classification according to fair value hierarchy			2011 Total Carrying Amount \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial Assets				
Cash and cash equivalents	87			87
Financial assets	24,178			24,178
Total	24,267			24,267

2010 Recognised Fair Value Assets/Liabilities

Class	Classification according to fair value hierarchy			2010 Total Carrying Amount \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Financial Assets				
Cash and cash equivalents	217			217
Financial assets	18,685			18,685
Total	18,902			18,902

21. General Information

The head office and principle place of business of the Authority is:

Level 4 Lutwyche City Shopping Centre
 543 Lutwyche Road
 Lutwyche Queensland 4030

A description of the nature of the Authority's operations and its principle activities is included in the above notes.

For information in relation to the Authority's financial statements please call 3212 6811, email cci@qleave.qld.gov.au or visit the Authority's Internet site www.qleave.qld.gov.au.

CERTIFICATE OF THE BUILDING AND CONSTRUCTION INDUSTRY (PORTABLE LONG SERVICE LEAVE) AUTHORITY

These general purpose financial statements have been prepared pursuant to section 46F(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1) (b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the Contract Cleaning Industry (Portable Long Service Leave) Authority's transactions for the financial year ended 30 June 2011 and of the financial position of the Authority at the end of that year.



G Wilson
General Manager
25 August 2011



R Hunter
Outgoing Chair
25 August 2011



J Bertram
Chair
25 August 2011

Independent Auditor's Report

To the Board of Contract Cleaning Industry (Portable Long Service Leave) Authority

Report on the Financial Report

I have audited the accompanying financial report of Contract Cleaning Industry (Portable Long Service Leave) Authority, which comprises the statement of financial position as at 30 June 2011, 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, and certificates given by the Chairperson and General Manager.

The Board's Responsibility for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the Auditor-General of Queensland Auditing Standards, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009*-

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion-
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Contract Cleaning Industry (Portable Long Service Leave) Authority for the financial year 1 July 2010 to 30 June 2011 and of the financial position as at the end of that year; and

Other Matters - Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Contract Cleaning Industry (Portable Long Service Leave) Authority for the year ended 30 June 2011. Where the financial report is included on Contract Cleaning Industry (Portable Long Service Leave) Authority's website the Board is responsible for the integrity of Contract Cleaning Industry (Portable Long Service Leave) Authority's website and I have not been engaged to report on the integrity of Contract Cleaning Industry (Portable Long Service Leave) Authority's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website: they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.



Ryan Muller
As Delegate of the Auditor-General of Queensland
Brisbane
26 August 2011

PUBLIC AVAILABILITY

This annual report can be viewed online at www.qleave.qld.gov.au → Contract Cleaning Industry link.

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ISSN 1837-0586

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The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report you can contact us on (07) 3018 0333 and we will arrange an interpreter to effectively communicate the report to you.



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