



PORTABLE
LONG SERVICE
LEAVE

annual report 2014-2015

Building and Construction Industry
(Portable Long Service Leave) Authority



➔ **OUR MISSION** is to be Australia's most effective provider of portable long service leave benefits.

➔ **OUR VALUES** – to support us in achieving our strategic goals, QLeave has adopted the five organisational values of the Queensland Public Service.



CUSTOMERS FIRST

- Know your customer
- Deliver what matters
- Make decisions with empathy



IDEAS INTO ACTION

- Challenge the norm and suggest solutions
- Encourage and embrace new ideas
- Work across boundaries



UNLEASH POTENTIAL

- Expect greatness
- Lead and set clear expectations
- Seek, provide and act on feedback



BE COURAGEOUS

- Own your actions, successes and mistakes
- Take calculated risks
- Act with transparency



EMPOWER PEOPLE

- Lead, empower and trust
- Play to everyone's strengths
- Develop yourself and those around you

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QLeave is the trading name of the Building and Construction Industry (Portable Long Service Leave) Authority, established in 1992 to administer a paid long service leave scheme for eligible workers in the building and construction industry regardless of whether they work on different projects for one or more employers.

The portable long service leave scheme is administered in accordance with the *Building and Construction Industry (Portable Long Service Leave) Act 1991*.

Letter of Compliance

07 September 2015

The Honourable Curtis Pitt MP
Treasurer, Minister for Employment and Industrial Relations
and Minister for Aboriginal and Torres Strait Islander Partnerships
GPO Box 611
Brisbane Qld 4001

Dear Minister

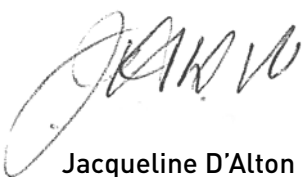
I am pleased to present the Annual Report 2014-15 and financial statements for the Building and Construction Industry (Portable Long Service Leave) Authority.

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 accessed at www.qlleave.qld.gov.au

Yours sincerely



Jacqueline D'Alton
CHAIRPERSON
Building and Construction Industry (Portable Long Service Leave) Authority



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About the Authority

A MESSAGE FROM THE CHAIR AND GENERAL MANAGER

QLeave was established in 1992 to administer a portable long service leave scheme for eligible workers in the building and construction industry. The Scheme is funded by a levy imposed on the cost of building and construction work performed in Queensland.

Following significant legislative review, Queensland Parliament passed changes to the building and construction industry's portable long service leave legislation. These changes came into effect on 1 July 2014. The legislative amendments included decreasing the levy rate from 0.3% to 0.25%, increasing the minimum levy threshold from \$80,000 to \$150,000, no longer including GST in the total cost of work, introducing a tiered levy rate for work over \$1 billion and other clarifications regarding cost of work exemptions and inclusions. Importantly, the long service leave entitlements of building and construction industry workers was not be affected by these legislative changes.

Prudent financial management, together with greater than expected investment returns, over recent years has placed the Scheme in a very sound financial position enabling the reduction in the levy rate that took effect 1 July 2014.

At 30 June 2015, the Scheme had 290,255 workers and 19,406 employer registered. Since 1992, long service leave payments totalling over \$526 million have been paid to industry workers and employers. The 2014-15 financial year represents yet another record value of long service leave claims paid by QLeave, to the sum of \$83.9 million.

QLeave's future goal of offering full electronic service delivery within two years continues to drive the development of new facilities. Online claims are now available for all members. Since introduction, over 62% of employer claims and 49% of worker claims have been made online.

We would like to express our appreciation to our Minister, the Honourable Curtis Pitt and the Government for ensuring the legislative provisions support portable long service leave benefits for the building and construction industry in the future.

We are also appreciative of the ongoing efforts and contributions of staff, management and board members. The Board and management remain focused on improving the administrative efficiency of the Scheme with complete commitment to digital service provision.



Jacqueline D'Alton
CHAIRPERSON



Julie Dahl
GENERAL MANAGER



Strategic Objectives, Indicators and Measurement

Critical areas and goals	Objectives	Indicators	Achieved
<p>Clients/Stakeholders</p> <ul style="list-style-type: none"> → Workers → Employers → Levy Payers → Alliance Partners → Contractual Partners → Government → Staff 	<p>Deliver quality client service and communications</p>	<ul style="list-style-type: none"> → Activities undertaken and issues addressed in consultation with industry → Strategies implemented for emerging sectors and regions → Participation in cooperative projects with interstate schemes → 100% client service standards met → 85% client and stakeholder satisfaction achieved → Marketing services delivered → Increased usage of online services – target 100% online transactions by 2017-18 	✓
<p>Financial Management</p>	<p>Maintain financial accountability and sustainability of the Portable Long Service Leave Scheme</p>	<ul style="list-style-type: none"> → Investment strategy reviewed to achieve optimal returns with reduced volatility → Approved actuarial recommendations actioned → Monitoring reports for claims and wages growth to Board → Financial targets achieved → Cost of service delivery against national average 	✓
<p>Corporate Governance and Risk Management</p>	<p>Sound corporate governance, compliance and risk management frameworks</p>	<ul style="list-style-type: none"> → Compliance with all statutory obligations → Annual Board governance and frameworks review → Quality Certification maintained to ISO 9001:2008 → Business continuity and disaster recovery processes reviewed and tested annually → Legislative review completed and recommended changes provided to Minister → Planned compliance activities delivered 	✓
<p>People</p>	<p>Develop a skilled workforce for the future that is adaptable, valued and engaged</p>	<ul style="list-style-type: none"> → Human Resources Plan strategies implemented 	✓
<p>Business systems and processes</p>	<p>Continue to develop and improve business systems and processes</p>	<ul style="list-style-type: none"> → Information Communications and Technology Strategic Plan and Improvement projects implemented 	✓

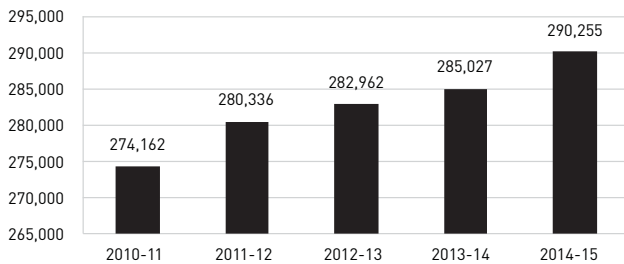
Clients / Stakeholders

- Objectives:
- Deliver quality client service and communications to clients and stakeholders
 - Planned compliance activities delivered.

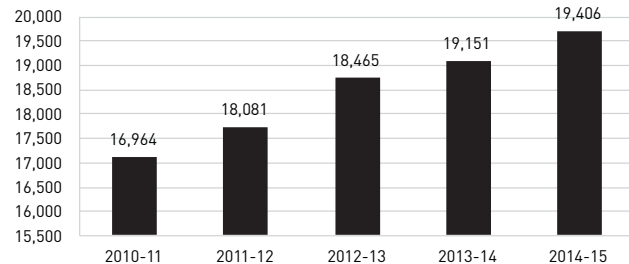
WORKERS AND EMPLOYERS - ACHIEVEMENTS AND PERFORMANCE MEASURES

Customer service

Worker Registrations 2010-2015



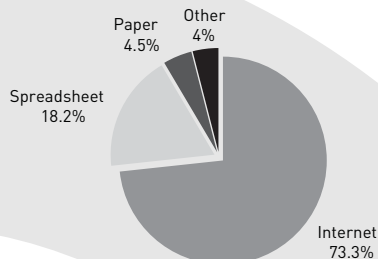
Employer Registrations 2010-2015



Worker registrations increased by less than 2% from 285,027 to 290,255. The majority of new registrations (73%) were received online in 2014-15, compared to 65% in 2013-14.

Employer registrations increased by 1.4% from 19,151 to 19,406. The majority of new registrations (83%) were received online in 2014-15, compared to 79% in 2013-14.

Type of Work Service Return lodged 2014-15

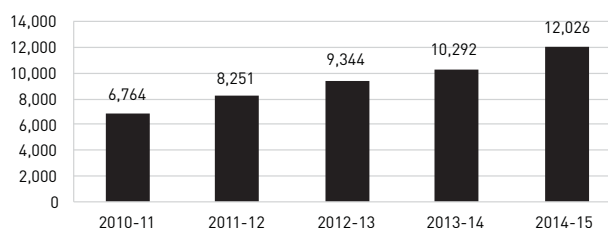


At the end of each financial year, registered employers are required to provide QLeave with a worker service return listing their eligible workers and employment periods. 79% of employers submitted their workers' service returns online, compared to 71% in 2013-14.

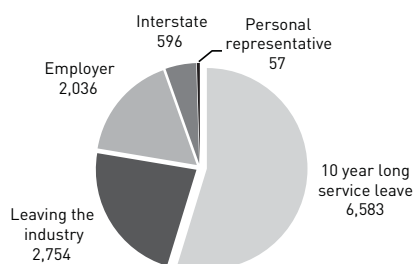
- Employers who completed their worker service return online were prompted to complete a satisfaction survey regarding their experience with the lodgement process. 23% of employers who lodged their return online completed the survey. A satisfaction rating of over 92% was achieved for each component surveyed including ease of use, time taken to complete the return and quality of the instructions provided for the online lodgement process. Additionally, a satisfaction rating of over 97% was achieved for the areas of customer service, claims and Compliance and Liaison staff assistance.
- The annual long service leave statement was distributed to 277,079 workers with a current postal address in October 2014. This statement shows a worker's service record for the previous financial year and their current long service leave benefit, based upon information supplied by their employers. A newsletter accompanied the statement and supplementary information was provided to those workers with a long service leave entitlement. Workers are able to access their current long service leave details online at any time. Significant promotion will occur during August and September 2015 to encourage workers to transition to electronic delivery of long service leave statements.
- 1,404 requests for missing service were processed during the year, assisting registered workers to maintain accurate long service leave records in the register. Encouraging workers to check the accuracy of their long service leave statements to ensure long service leave benefits are maximised, remains an ongoing focus for QLeave.
- Under the Four Year Rule, 25,129 workers, who had not recorded service in the last four consecutive years, had their registrations cancelled during 2014-15.



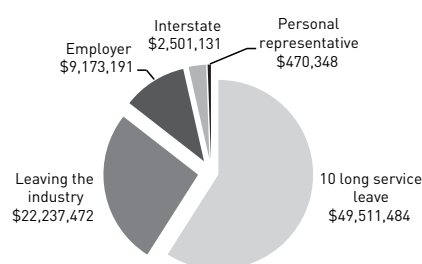
Number of claims paid per year 2010-2015



Number of claims paid 1 July 2014 to 30 June 2015



Value of claims paid 1 July 2014 to 30 June 2015



In 2014-15, 12,026 long service leave payments were made to the value of \$83,893,626. The number of claims paid increased by 14.4% from 2013-14. Additionally, the value of claim payments made in 2014-15 increased by 13.9% from the previous year.

→ Long service leave payments were made to:

- registered workers, under the *Building and Construction Industry (Portable Long Service Leave) Act 1991*
- registered employers who received reimbursement of long service leave benefits paid directly to their employees under the *Industrial Relations Act 1999*
- long service leave schemes in other states and territories in reimbursement of claims paid to workers for work performed in Queensland.

→ Online claims have been available for both employers and workers since 2013. 70.2% of employers sought reimbursement online in 2014-15, compared with 55.0% in 2013-14. 55.5% of workers claimed online, compared with 40.0% in 2013-14.

→ After review, the capped weekly rate of pay for all long service leave payments was increased by 4.9% to \$1,940 for the year.

Stakeholder engagement

→ QLeave supported the industry by sponsoring and attending the Queensland Master Builders (QMBA) Housing and Construction Awards, Housing Industry Association (HIA) Housing and Kitchen Awards, Master Concretors Awards, Master Plumbers Awards and Construction Skills Queensland (CSQ) Excellence Awards throughout the State. Other events such as the QMBA Industry Updates, Civil Contractors Federation State Conference and the HIA Business Partner Network events were supported by QLeave. All of these events promoted the scheme and provided an opportunity for employers to be educated on their obligations.

→ QLeave also supported CSQ in their Industry Exchange program. This opportunity provided employers and contractors with detailed education about the Scheme.

- QLeave's Compliance and Liaison officers continued to attend major building sites around Queensland to educate and inform workers about the Scheme and its benefits. Some of the major sites visited included the Sunshine Coast Hospital, Pacific Fair redevelopment and major commercial building sites in the Brisbane CBD.
- QLeave conducted an Industry Forum with employer and worker stakeholders. The forum outlined the state of the Scheme to delegates and was an opportunity for industry to provide feedback about QLeave's operations.
- QLeave's Compliance and Liaison officers continued their visits to regional areas throughout the year. All major regional centres were visited by Compliance and Liaison officers which included building site visits, employer visits and alliance partner visits.
- QLeave continued to promote the Scheme's key messages through advertising in industry publications and journals.
- Print and electronic newsletters were distributed to employers and workers during the worker service return and long service leave statement processes. These newsletters focussed on the key compliance areas including eligibility, and promoting the availability and range of online services.

Compliance

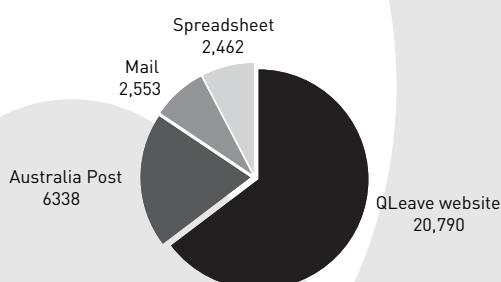
- The compliance activities of QLeave for 2014-15 focussed on outstanding worker service returns and unregistered employers. This ensured that workers had their service added and their entitlement payments were accurate. There was also a major focus on missing service applications submitted by workers.
- QLeave conducted 16 books and records inspections for the year. The books and records inspections resulted in minor amendments to some claim payments. Additionally correct rates of pay for entitlement claims lodged by workers were clarified through this process.
- QLeave contacted 337 employers about outstanding worker service returns. This resulted in the employers submitting service for their workers and the workers having an accurate working history with the Authority.
- 126 employers that were identified as unregistered (where workers identified to the Authority who they have been working for) were registered with the Scheme.
- Legal services actioned 18 matters including requests for reconsideration and compliance with employer obligations including the submission of worker service returns.

LEVY PAYERS, LOCAL GOVERNMENTS AND PRIVATE CERTIFIERS - ACHIEVEMENTS AND PERFORMANCE MEASURES

Customer service

- Effective 1 July 2014, the Building and Construction Industry (Portable Long Service Leave) Scheme was funded by a levy of 0.25% on all building and construction work performed, where the total cost of work is \$150,000 or more. This represents a shift in the collected levy with a rate decrease from 0.3% and a threshold increase from \$80,000.
- \$68,612,000 was received in levies income, compared with \$107,539,000 in 2013-14.
- A total of 32,143 building and construction work notifications were processed compared with 35,817 in 2014-15.

Type of notification and payments received
1 July 2013 to 30 June 2014



65% of notification and payment forms were lodged online, with 20% lodged at Australia Post, 8% received via mail and a further 8% lodged via spreadsheet facility. This represents a shift towards online notification with an increase of 7% from 2013-14.



Stakeholder engagement

- A significant amount of educational activity was required to communicate relevant messages regarding legislative amendments. Queensland Building and Construction Commission (QBCC) Licensee Education Seminars, Queensland Master Builders Industry Updates, HIA Business Partner Networks and Construction Skills Queensland Industry Exchanges were supported and attended by QLeave for this primary purpose. Additionally, the resource sector received dedicated communication material related to their industry and the relevant legislation changes.
- QLeave utilised a range of journals published by industry associations to provide significant education and awareness regarding legislative amendments.
- Quarterly meetings were held with Work Health and Safety and Australia Post. Regular reports regarding building activity were provided to Construction Skills Queensland and the Queensland Resources Council. Ongoing meetings were also held with Liquefied Natural Gas organisations, in relation to changes in the legislation and transition arrangements.

Compliance

- Compliance activities focused on auditing local government councils for operational works notifications and Department of Transport for the finalisation of the 2011 flood works notifications.
- 31 Private Certifiers and local government councils were visited with 715 files audited.
- Compliance activities identified 276 building and construction notifications, with a total cost of work of \$1,802,357,103 and \$4,295,574 in portable long service leave levy.
- 124 random cost of work and exemption claimed audits led to \$905,803 of additional levy collected.
- 3,523 follow'ups were made regarding finalisation of building and construction works totalling \$570,898,812, resulting in \$5,893,972 portable long service leave levy being invoiced and \$3,160,917 refunded.
- Legal services actioned one matter about the notification of particular building and construction work.

GOALS AND STRATEGIES FOR 2015-16

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Optimise digital client services:

- empower stakeholders through education
- provide convenient access to information
- continued technology improvements to maintain currency of systems.

Strengthen engagement from levy payers, employers and workers:

- renewed strategies that provide incentive to stakeholders
 - provide effective and usable systems.
-

Financial Management

Objective: Maintain financial accountability and sustainability of the Scheme.

QLeave was established to support the building and construction industry in Queensland by providing a portable long service leave scheme for both employers and workers in the industry. To achieve this, the *Building and Construction Industry (Portable Long Service Leave) Act 1991* requires the levying of all building and construction projects with a total cost of work of \$150,000 and above.

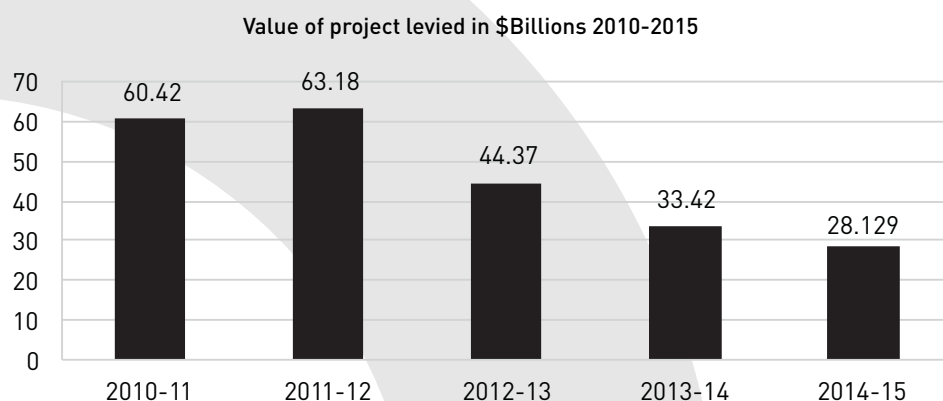
The total combined levies payable is 0.475% of the cost of work (that is, \$4.75 collected for every \$1,000 of the cost of work), consisting of:

- 0.125% collected for Workplace Health and Safety
- 0.1% collected for Construction Skills Queensland
- 0.25% retained by QLeave to fund the portable long service leave scheme.

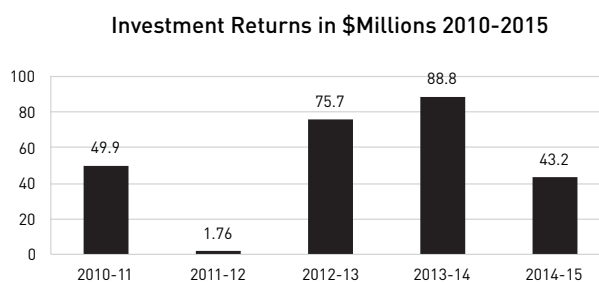
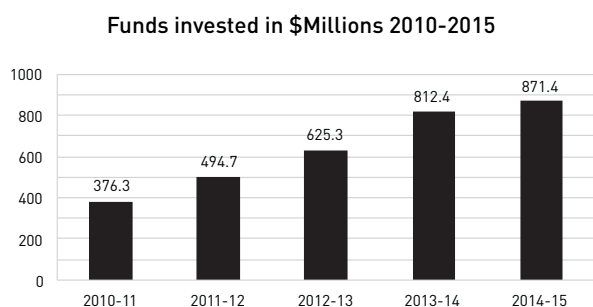
Building activity

Activity in most sectors but particularly the civil sector (decrease of 45.9%) was lower than anticipated during 2014-15.

Project type	2013-14 Value \$Billions	2014-15 Value \$Billions
Housing	7.104	7.340
All other residential	2.766	3.740
Commercial	8.182	6.534
Civil	15.370	10.515
Totals	33.422	28.129



Investment market performance



Budget performance

The operational budget methodology adopted by QLeave is zero based and performance is closely monitored on a monthly basis. The 2014-15 outcome is as follows:

	Actual (\$000s)	Variance to Budget (\$000s)
Levies income	68,612	(21,388)
Investment income	43,239	(21,242)
Employee expenses	4,637	(186)
Supplies and services	2,901	(1,040)
Fund management expenses	2,527	(285)
Long service leave payments	83,894	(106)

An overall loss of \$77.58 million was experienced in 2014-15. This can be attributed to these major factors:

1. higher than expected increase in long service leave provision advised by the actuary
2. reduced levy income from less than expected industry activity and
3. lower than expected investment return.

Despite the loss experienced the Authority's equity remains at a healthy \$169.6 million.

GOALS AND STRATEGIES FOR 2015-16

Maintain prudent investment strategies to support levy stability:

- manage investment portfolio appropriately
- investment strategy review
- achieve financial targets.

Corporate Governance and Risk Management

Objective: Sound corporate governance, compliance and risk management frameworks.

In accordance with the *Building and Construction Industry (Portable Long Service Leave) Act 1991* ('the Act'), QLeave is governed by a board of directors ('the Board'). The Board reports to the relevant Minister at specified quarterly intervals concerning QLeave's operational and financial performance.

From 1 July 2014 until 30 January 2015, the Board reported to the Attorney-General and Minister for Justice, the Honourable Jarrod Bleijie MP via the Department of Justice and Attorney-General. From 16 February 2015, the Board reported to the Treasurer, Minister for Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships, the Honourable Curtis Pitt MP, through Queensland Treasury.

The Board is responsible for QLeave's commercial policy and management. The Board's other functions include:

- ensuring as far as possible, that QLeave achieves, and acts in accordance with, its corporate goals and carries out its corporate objectives outlined in its Strategic Plan
- providing advice and recommendations to the Minister on issues affecting the provision of long service leave in the industry and the operation of the Act
- ensuring that QLeave performs its functions in an appropriate, effective and efficient way.

The Board determines the strategic directions of QLeave, oversees development of the Strategic Plan and monitors QLeave'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. Directors receive a copy of the Board Guidelines at their initial induction, and on each occasion that the Guidelines are amended.

An Environmental Scan of the industry is undertaken each January and the resulting report is submitted to the Board. This Scan identifies current and future issues requiring attention and management by the Board. The Board is considerate of the broader Queensland community as an interested stakeholder in the operation of the Scheme.

Composition of the Board

The Board consists of eight directors who are appointed by the Governor-in-Council for terms of three years. The Board comprises the following directors:

- (a) the chairperson;
- (b) the deputy chairperson, who must have knowledge of, and experience in, financial affairs;
- (c) three directors representing employers in the building and construction industry; and
- (d) three directors representing workers who perform building and construction work.

The current term of the Board commenced on 1 July 2013 and expires on 30 June 2016. Directors are eligible for reappointment on completion of their terms.

The relationship between the Board and QLeave's executive management is one of direct, open communication and full disclosure of relevant information pertaining to QLeave's financial and operational performance. The individual expertise of each board member is often called upon by QLeave's executive management in making recommendations to the Board.

The Board comprises representatives of the Scheme's stakeholders from the major industry sectors. Accordingly, the specific and periodically competing interests of the worker and employer stakeholder groups are communicated to the Board with the aim of achieving a balance between the interests of the stakeholders and the long-term viability of the Scheme. The Board is proactive in identifying factors affecting the building and construction industry and viability or maintenance of the Scheme.



Board members are selected for their expertise and specific experience in the building and construction industry. Each director is encouraged to undertake the Company Director's course, and/or related courses, to enhance their professional development. A register of all professional development activities undertaken by directors is kept by QLeave to ensure that all directors maintain the standards required by best practice corporate governance frameworks.

The Board currently comprises the following directors:

Chairperson:	Jacqueline D'Alton
Deputy Chairperson:	Adam Stoker
Employer Representatives:	John Crittall (QMBA) Gary Deane (CCF) Debra Johnson (HIA)
Worker Representatives:	Bradley O'Carroll (CEPU Plumbing Division)* Amanda Richards (Independent) Rohan Webb (AMWU)

*Until 20 June 2015, Brad O'Carroll was the State Secretary of the CEPU Plumbing Division. From 21-30 June 2015, he served as an independent Worker Representative.

Remuneration

Directors receive remuneration within Category C2 (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 Guidelines*.

The Deputy Chairperson, Adam Stoker, receives the Chairperson's rate of remuneration when chairing the meetings of the Board.

The Chair of the Audit, Risk Management and Compliance Committee, Gary Deane, receives the Chair's rate of Special Assignment fees for chairing meetings of the committee.

The Chair of the Finance Committee, Debbie Johnson, receives the Chair's rate of Special Assignment fees for chairing meetings of the committee.

Board Meetings

Board meetings are held bi-monthly in February, April, June, August, October and December. The Board met on seven occasions during 2014-15, with six formal meetings held, and a special session held in March 2015 to focus on strategic planning priorities.

Board Committees

To assist in fulfilling its functions within an environment of effective and appropriate corporate governance, the Board has established three committees relating to specific matters. Committee membership, which provides directors with the opportunity to contribute to the Board in additional areas, is allocated to directors based on their areas of proficiency and interest.

1. Audit, Risk Management and Compliance Committee

The Audit, Risk Management and Compliance Committee operates under its own approved charter, which complies with both the Queensland Treasury Audit Committee Guidelines and the Institute of Internal Auditors – Australia Professional Guidance – Role of Auditing in Public Sector Governance.

The Audit, Risk Management and Compliance Committee acts as an advisory service to the Board regarding financial management responsibilities including those under the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*.

The Audit, Risk Management and Compliance Committee is responsible for ensuring that:

- the Authority meets its corporate governance obligations
- Internal Audit applies risk-based strategies in formulating its audit plans and conducting audit reviews
- management action on audit recommendations is appropriate and timely

The Audit Risk Management and Compliance Committee comprises Gary Deane (Chair), Amanda Richards, Jacqueline D'Alton and Adam Stoker. QLeave's Internal Auditor reports to the Board through the Audit, Risk Management and Compliance Committee.

The Audit, Risk Management and Compliance Committee met on three occasions during 2014-15.

Officers from the Queensland Audit Office (QAO) and its representatives Pitcher Partners, the General Manager, Assistant General Manager Finance and Client Services, the Executive Officer and the Internal Auditor all assisted the Committee with its work throughout the year.

During the year, the Audit, Risk Management and Compliance Committee reviewed:

- the adequacy of the strategic and annual audit plans
- the quality and timeliness of internal audit reports
- quarterly risk assessment schedules
- workplace health and safety incidents
- information services security audits and risk management reports
- performance of the internal audit function against the annual audit plan
- the performance of areas that have acted on recommendations made by the Internal Auditor or the QAO
- items raised by the QAO
- technical/operational issues relating to the finalisation of annual financial statements.

2. Finance Committee

The Finance Committee's role is to assist the Board to discharge its investment and financial management responsibilities imposed under QLeave's governing Act and associated financial legislation. The Finance Committee oversees the development, implementation and monitoring of the Board's investment strategy and policies.

QLeave's annual budget is submitted for scrutiny and approval by the Finance Committee, prior to being submitted to a full meeting of the Board and approval by the Minister.

The Finance Committee comprises Debbie Johnson (Chair), Jacqueline D'Alton, Adam Stoker, and Rohan Webb. The Committee met on three occasions during 2014-15.

3. Worker Eligibility Committee

The Worker Eligibility Committee's role is to examine complex issues concerning the eligibility of workers for scheme membership, within the parameters of the governing legislation.

The Worker Eligibility Committee was not required to meet during 2014-15.

2014-15 Board Performance Assessment

In adhering to the principles of good governance, board directors undertake a board performance evaluation to determine the achievements made throughout the financial year, and opportunities for improvement for the Board in the coming year. The Board evaluation is a structured self-assessment process, both collectively and as individual directors. Self-assessed evaluation reminds directors of their duties and responsibilities as members of a government board, identifies the strengths and weaknesses of board operations, reviews and measures QLeave's progress towards its goals and mission, and opens channels of communication.

Giving board members the opportunity to examine and rate their board performance is a fundamental part of the overall board evaluation system and integral to best governance practices. The self evaluation process reinforces to directors their accountability to QLeave, the greater community served by QLeave and the resources consumed.



Board evaluation is valuable in assessing QLeave’s governance standards, assessing the Board’s overall teamwork and communication abilities and highlights areas where each individual director and the collective board can improve.

During 2014-15, the Board has adopted a more specific, targeted approach to strategic thinking and planning. Improvements both in communication with directors and the format and content of briefing papers were implemented. The evaluation of the Board’s performance also was improved and was undertaken by an externally facilitated group discussion led by an experienced consultant. This evaluation format identified specific areas for both consolidation and improvement, and may be utilised again in future years to achieve meaningful and specifically measurable outcomes.

Director attendance at meetings 2014-15

Director	Board	Audit, Risk Management and Compliance Committee	Finance Committee	Worker Eligibility Committee
Number of meetings held	6	3	3	0
Jacqueline D’Alton	6	3	3	0
Adam Stoker	4	3	2	0
John Crittall	6	Not a member	Not a member	0
Gary Deane	4	3	Not a member	0
Debbie Johnson	5	Not a member	3	0
Bradley O’Carroll	3	Not a member	Not a member	0
Amanda Richards	6	2	Not a member	0
Rohan Webb	6	Not a member	1	0

Additional reporting

The Board is provided with a General Manager’s Report containing financial and operational performance results data, progress of field activities, and other relevant issues in the months when a Board meeting is not held.

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

There is an ongoing process through QLeave’s internal Risk Management Committee, for identifying, evaluating and managing QLeave’s potential and operational risks. The Board, through its Audit, Risk Management and Compliance Committee, regularly reviews QLeave’s risk management strategies.

The minutes and resolutions of each board and committee meeting are recorded and stored on and off-site. Archive copies of board meeting documentation are provided to Queensland State Archives under the provisions of the *Public Records Act 2002*.

Issues for the Board 2014-15

Issues for the Board during 2014-15 included:

- **Industry Stakeholders** – developing and maintaining stakeholder engagement strategies to achieve a better understanding of shifts in workforce composition, and respond with appropriate service delivery; identify and monitor emerging industry sectors, and respond to changes; enhance relationships and two-way communication with stakeholders through accurate understanding of stakeholders' expectations; and to expand opportunities to communicate statutory obligations to all stakeholders.
- **Financial Management** – monitoring the Scheme's equity position and confirming through actuarial assessment that the Scheme remains viable in the long term; monitoring industry activity levels across all sectors, number and value of claims; and prudent management of funds received through levy revenue and investment returns.
- **Corporate Governance** – maintaining effective planning, reporting, risk management and statutory compliance frameworks to ensure that all statutory obligations are met within required timeframes, that the Board's governance framework is reviewed to ensure appropriate effectiveness, and that Quality Certification is maintained.
- **Business Systems** – continuing implementation of improvements to QLeave's business systems for effective electronic service delivery to stakeholders and increased usage of online services.

Internal Audit

Internal Audit plays a key role in assisting the board to discharge its governance responsibilities for ensuring the effectiveness of QLeave's internal control framework. It provides an unbiased, objective assessment, evaluating and improving the risk management, control and governance processes 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 and annual Risk Assessment Schedule following endorsement from the Board. The systematic analysis of business processes and associated controls across financial, information and communication technology resources and QLeave's operational activities included:

- Continuous Controls Monitoring
- Operating Revenue and Agency Collections
- Employee Expenses
- Statutory Registers and Claims
- Non-Current Physical and Intangible Assets
- Supplies and Services
- General Information Systems
- Financial Assets
- Risk Management
- Performance Management
- Annual Financial Statements

Risk management is an essential component of an effective governance system and works in conjunction with the internal audit function. In addition to the business risk assessment, internal audits undertaken in 2014-15 involved review of compliance framework and specific compliance issues, assessments of internal controls and associated risks with QLeave policies, procedures and government guidelines.

Audit and assurance activities resulted in the identification of areas where there was an opportunity for improvement and/or enhancement of existing processes and controls. Following discussion and agreement with management, internal audit reports were submitted to key stakeholders and reported to the Board via the Audit, Risk Management and Compliance Committee. The status of significant and important risk issues outstanding are monitored by the Audit, Risk Management and Compliance Committee.



Information systems and recordkeeping

QLeave continues its commitment to quality recordkeeping through the provision of systems and processes that support keeping full and accurate records of its activities. Records are managed to preserve corporate knowledge, document our actions, decisions and communications while providing the foundation of government accountability.

QLeave uses an electronic document and records management system TRIM to effectively manage and secure its administrative records. It also uses several business management systems to capture and manage its core business.

Throughout the year records were managed through sound information management and recordkeeping practices that comply with the *Public Records Act 2002, Information Standard 40: Recordkeeping* and *Information Standard 31: Retention and Disposal of Public Records* as well as whole-of-government recordkeeping policies and guidelines issued by the State Archivist.

QLeave staff efficiently identified, captured, retained and where necessary, disposed of records as an integral part of their daily work activities. QLeave's increased usage and acceptance of TRIM for management of business documents and records continues to ensure effective and efficient management of all aspects of recordkeeping.

QLeave's corporate goal is to be totally digital by 2017.

In 2014-15 the following initiatives and activities were undertaken:

- Completed a major project of digitising levy payer record files as well as personnel files
- Built staff awareness about good record keeping practices with training programs and information sessions
- Feedback was provided to Queensland State Archives on the following
 - Born Digital Stay Digital discussion paper
 - General Retention and Disposal Renewal consultation draft on Short Term Value Records.
 - Survey online for Recordkeeping of Queensland Public Authorities 2014-15
- Preparation of permanent records for transfer to Queensland State Archives
- Reviewed and updated policies, procedures and guidelines that underpin how information is captured, managed, recorded and used within business systems and in QLeave's records management system.

GOALS AND STRATEGIES 2015-16

Sound corporate governance, compliance and risk management frameworks:

- maintain sound governance arrangements for accountability, managing risk and compliance with relevant legislation and policies.

The Board

→ **JACQUELINE D'ALTON** B Com, M App Fin, FAICD, SnrFFinsia, **CHAIR**

Jackie, who holds a Bachelor of Commerce, a Master of Applied Finance, is a Fellow of the Australian Institute of Company Directors and is a Senior Fellow of Financial Services Institute of Australasia, had been Deputy Chair of the QLeave Board since 1998 and was appointed as Chair commencing 1 July 2013.

She had more than 30 years experience in financial markets, including broader based responsibilities in Bank Treasury functions to more specialised roles, including her role in Programme Debt and Capital with Suncorp Group Treasury and now concentrates on her Board roles.

In 2012, Jackie was appointed to the Board and as Chair of Topology, a talented music ensemble and Artists-in-Residence at the Brisbane Powerhouse. In 2013, she was appointed to the Board of the Motor Neurone Disease Association of Queensland, which provides care and services for people with motor neurone disease.

Jackie was a board member of the Brisbane Cricket Ground Trust from 1999 until her appointment in 2001 to the Major Sports Facility Authority (MSFA) which is responsible for major sporting and entertainment venues throughout Queensland. She was a board member of the MSFA until 2007.

→ **ADAM STOKER, DEPUTY CHAIR**

Adam was appointed to the position of Deputy Chair of the QLeave board on 1 July 2013. He holds a Master of Taxation, Honours in Law and a Bachelor of Medical Science.

Currently practising as a solicitor in the mining and resources industry, Adam has extensive experience in corporate governance, project construction and delivery, workplace relations and workplace safety and environmental law.

Prior to entering the mining and resources industry, Adam was employed in a private practice firm providing corporations law and taxation advice in capital markets, merger and acquisition and general commercial advisory.

→ **GARY DEANE** FAICD, **EMPLOYER REPRESENTATIVE**

Gary is the Managing Director of Gary Deane Constructions Pty Ltd, a civil and engineering road works and bulk earthworks contracting business. He has been a Director of the QLeave Board since 1997.

Gary has extensive experience in the building and construction industry. He has, at various times, been on the state and national boards of the Civil Contractors Federation and has been a long-term Director and Chairman of Beaconsfield Press.

Gary is a member of the Australian Institute of Company Directors.

→ **JOHN CRITTALL** B.Econ Hons MAdmin, **EMPLOYER REPRESENTATIVE**

John was appointed as a Director of the QLeave Board in 2010.

He is currently the Director of Construction Policy at Master Builders and has been in that role since 2003. He is responsible for the key areas of industrial relations, workplace health and safety, legal and contracts and training within Master Builders Queensland.

He has had over 25 years' experience associated with the building and construction industry. He currently sits on the Queensland Government Workplace Health and Safety Board and is a Director of the WorkCover Board, BIGA training Board and the Construction Income Protection Queensland Board.



→ **DEBBIE JOHNSON FAICD, EMPLOYER REPRESENTATIVE**

Debbie was appointed as a Director of the QLeave Board in 2010 and is a Fellow of the Australian Institute of Company Directors.

She has over 35 years' experience in the development industry starting out as a building designer and becoming a building contractor in the 1990s. Debbie started a medium-sized design office, trading as Coolum Design and Building Services, and successfully managed this business for more than 20 years, before selling in 2006.

Currently she works as a development consultant across all Australian states, and also works as a mediator and adjudicator in building, development and other related disputes.

Debbie has become increasingly involved as an industry representative working to achieve improved industry outcomes with local and state government bodies. She is immediate past Queensland President for the Housing Industry Association's Regional Executive Committee, the National Chair of the HIA Planning Committee, a Referee on the Building and Development Dispute Resolution Committees and a Director of Sunshine Coast Community Financial Services (Bendigo Community Bank).

→ **ROHAN WEBB, WORKER REPRESENTATIVE**

Rohan has been a Director on the QLeave Board since 2010.

He is a Fitter and Turner by trade and has extensive experience in the construction and manufacturing industry.

Rohan also represents his union and members as an Employee Representative on the Australian Super Queensland Advisory Committee and CoverForce Income Protection. Rohan is also a government-appointed representative on the Construction and Mining Safety and Health Advisory Councils.

Rohan is currently the State Secretary for the Australian Manufacturing Workers' Union (AMWU) Queensland and Northern Territory. He has been representing workers for over 27 years in a number of industries. Rohan is a member of the AMWU National and State Executive and the Queensland Council of Unions Executive. He believes strongly in advocating the interests of Australian workers.

→ **BRADLEY O'CARROLL, WORKER REPRESENTATIVE**

Brad has been reappointed as a Director of the QLeave Board since 1 July 2013, following his previous appointment from 2007-2010.

He is a licensed plumber by trade and has been a member of the Plumbers Union for 30 years. During his time with the Union he has held the positions of Organiser, Training Officer and State Secretary and has extensive knowledge and experience in the plumbing and construction industries.

He is a Director on the BERT, CIPQ, Workplace Health and Safety Queensland, Mates in Construction and Construction Training Centre Boards and is Alternate Director on the BUSSQ Board. Brad was also the driving force behind an industry first – the creation of Services Trades Queensland (STQ) – a joint initiative between employer organisations in the services trades and the Union. The Union also has 50% ownership of a registered training organisation – The Services Trades College (TSTC) and Brad is chair of both STQ and TSTC.

→ **AMANDA RICHARDS MAICD, WORKER REPRESENTATIVE**

Amanda has been a member of the QLeave Board since 2013. She has expertise in the areas of management, human resources, superannuation and governance. Amanda is a member of the Workplace Health and Safety Queensland Board, and BERT Training Fund Board.

Amanda has been a strong advocate on behalf of workers for over 30 years having come from the union movement.

Amanda has previously been a member of the Workers' Compensation Regulatory Board (Q Comp), a Trustee/Director for Q Super and Director of Safe Work College.

Amanda holds an Enrolled Nurse Certificate, Associate Diploma in Labour Studies and Diploma in Work Health and Safety.

Amanda is currently the Secretary / General Manager of the Asbestos Related Disease Support Society Qld Inc.

Executive Management

The executive management team comprises QLeave General Manager, Assistant General Manager Corporate Strategy and Assistant General Manager Finance and Client Services.

Executive management reviews QLeave's strategic and financial performance and the recommendations of all in-house committees; and provides a report to the Leadership Team.

The General Manager is accountable to the Board and to the Minister, and has overall responsibility for:

- setting and developing strategic policy in accordance with the government's policy objectives
- providing direction and leadership for QLeave
- facilitating government and industry liaison and providing a nexus between the Board and the organisation
- the Board Secretariat
- the internal audit function.

The Assistant General Manager Corporate Strategy is responsible for:

- human resource management
- information services
- administration
- quality and records management
- corporate communications
- legal services.

The Assistant General Manager Finance and Client Services is responsible for:

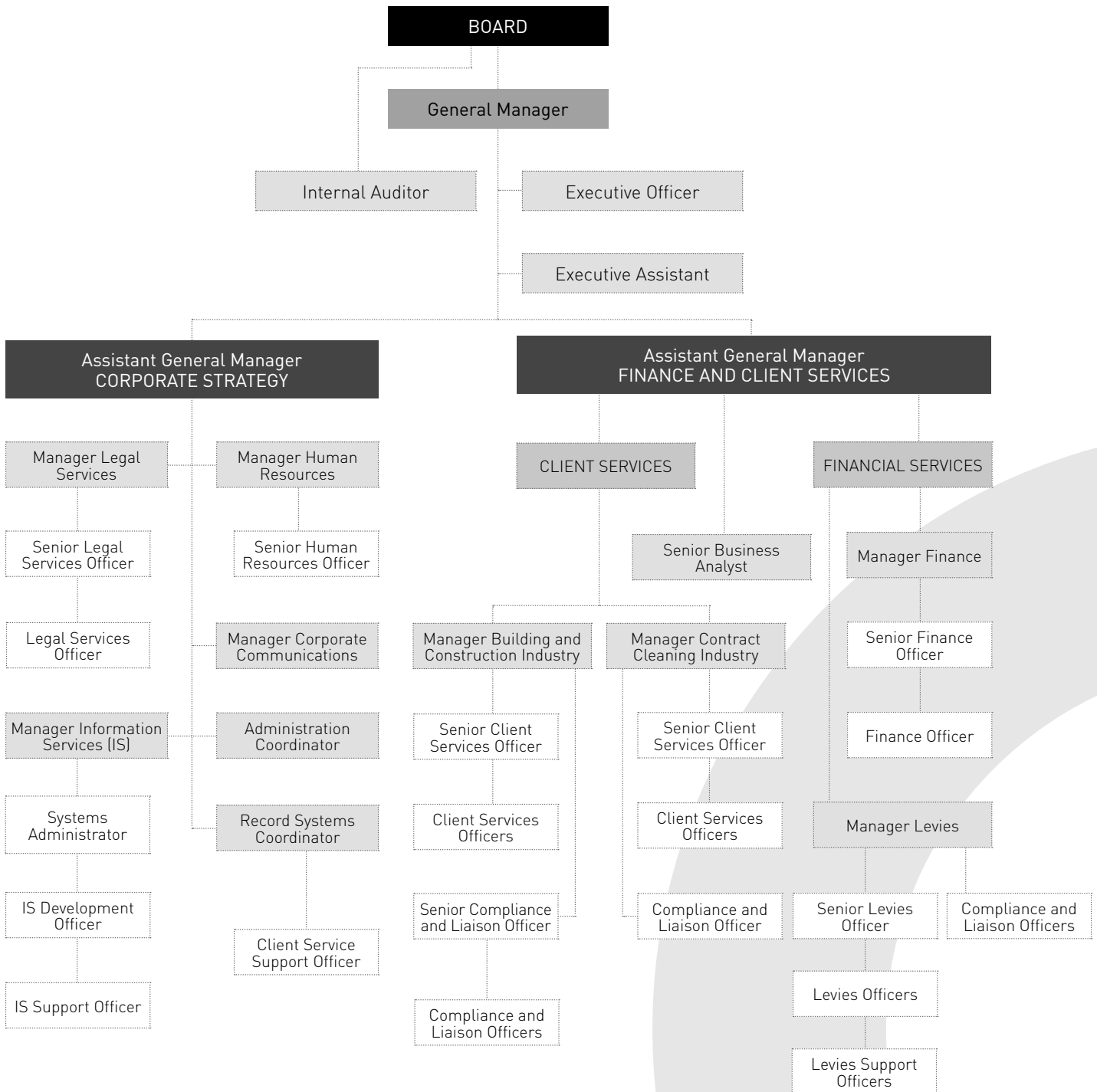
- financial management
- funds management
- levy collection
- legislative compliance
- worker, employer and levy payer register maintenance
- long service leave processing
- client liaison and site visits.



People

Objective: Develop a skilled workforce that is adaptable, valued and engaged.

Organisational chart



Workforce planning, attraction and retention

Workforce profile

The approved establishment at 30 June 2015 was 49.4 full-time equivalents. The establishment has reduced by 4.2 full-time equivalents from the same period last year due to efficiencies in service delivery.

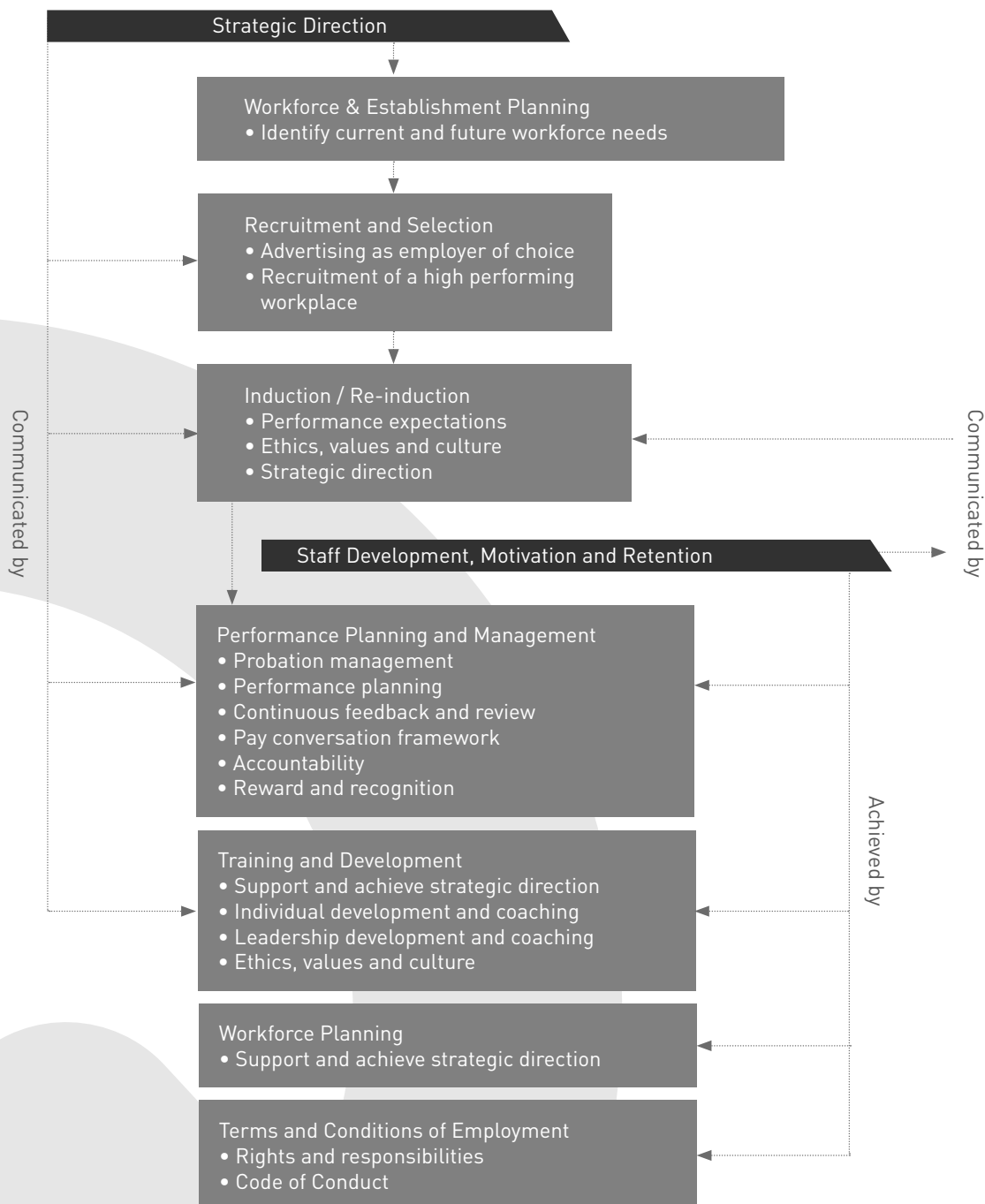
There were 47.0 actual full-time equivalents at 30 June 2015.

The permanent retention rate during 2014-15 was 89%.

The permanent separation rate during 2014-15 was 11%.

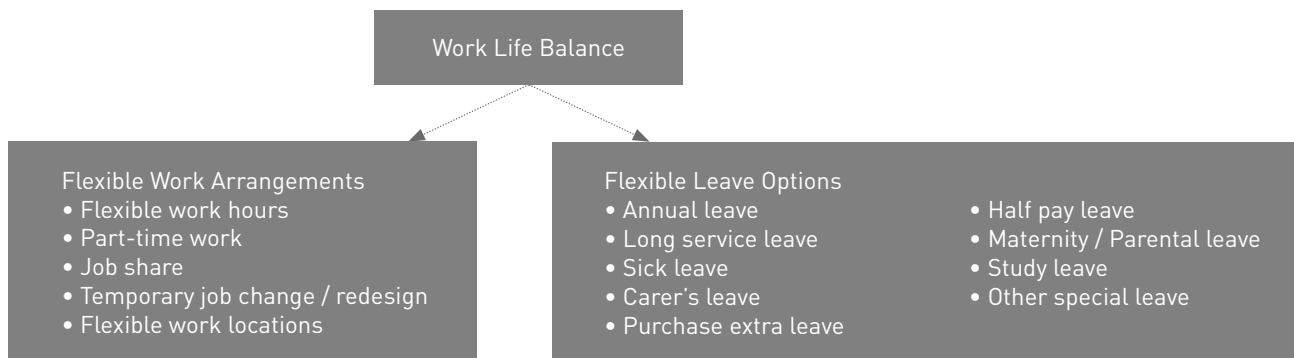
Workforce planning and employee performance frameworks

QLeave has a comprehensive human resource framework that incorporates workforce and performance management. The framework operates on a continuous cycle.



Work life balance policies

QLeave provides staff with access to a number of work life balance options that reflect broader Queensland Public Service initiatives. The following options have been well received by staff:



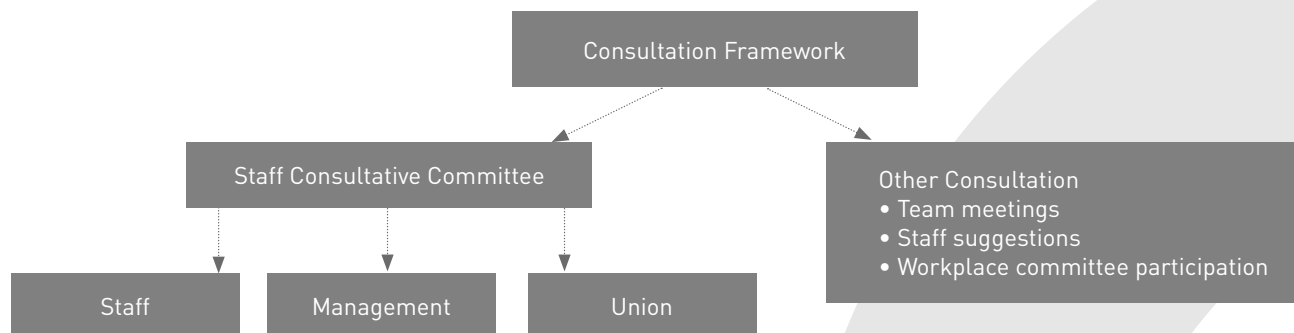
Leadership and management development

QLeave recognises the importance of leadership development. QLeave has a leadership strategy that includes:

- succession planning: training leaders of the future
- supervisor development: enhancing people, team and operational management capability
- management development: enhancing people, team and strategic management capability
- executive and board development: enhancing strategic management and corporate compliance capability.

Industrial and employee relations framework

QLeave has maintained a work environment that is fair and equitable. This goal was achieved through strong staff participation on committees, and staff and union consultation.



Ethics framework

QLeave has an ethical framework in place based on the *Public Sector Ethics Act 1994* to maintain public trust and confidence in the integrity and professionalism of the organisation and its staff. In 2014-15 this framework included:

- mandatory training for all staff on the Code of Conduct
- reflecting ethical requirements in performance management
- reflecting ethical requirements in broader QLeave policies and procedures.

GOALS AND STRATEGIES 2015-16

Appropriately skilled staff engaged in an authentic culture to meet current and future service delivery needs.

Financial Statements 2014 - 2015

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**BUILDING AND CONSTRUCTION INDUSTRY
(PORTABLE LONG SERVICE LEAVE) AUTHORITY**
Trading as QLEAVE
Statement of Comprehensive Income
for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Income from Continuing Operations			
Portable long service leave levies		68,612	107,539
Income from investments		18,420	24,147
Interest		89	68
Net gain/(loss) on financial assets at fair value		24,730	64,597
Other revenue	2,8		
Fee for service		2,164	2,166
Other		3	1
Unused Transitional Rebate	1 (t)	10,384	-
Total Income from Continuing Operations		124,402	198,518
Expenses from Continuing Operations			
Employee expenses	5,8	4,637	4,456
Supplies and services	7,8	2,836	2,905
Fund management charges		2,527	2,202
Depreciation and amortisation	9	65	66
Portable long service leave scheme benefits	17	191,894	135,281
Provision for transitional rebate	1 (t)	-	18,200
Total Expenses from Continuing Operations		201,959	163,110
Operating Result from Continuing Operations		(77,557)	35,408
Other Comprehensive Income		-	-
Total Comprehensive Income		(77,557)	35,408

The accompanying notes form part of these statements.

**BUILDING AND CONSTRUCTION INDUSTRY
(PORTABLE LONG SERVICE LEAVE) AUTHORITY**
Trading as QLeave
Statement of Financial Position
as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Current Assets			
Cash and cash equivalents	10	13,957	13,120
Receivables	11	28,706	55,698
Financial assets at fair value through profit or loss	12	861,392	802,411
Other	13	561	469
Total Current Assets		904,616	871,698
Non-Current Assets			
Receivables	11	900	4,995
Intangibles	14	121	165
Plant and equipment	15	1,350	69
Total Non-Current Assets		2,371	5,229
Total Assets		906,987	876,927
Current Liabilities			
Payables	16	2,083	3,483
Provision for employee benefits		1,171	1,288
Provision for scheme benefits	17	356,000	302,000
Lease Incentive		113	-
Total Current Liabilities		359,367	306,771
Non-Current Liabilities			
Provision for scheme benefits	17	377,000	323,000
Lease Incentive		1,021	-
Total Non-Current Liabilities		378,021	323,000
Total Liabilities		737,388	629,771
Net Assets		169,599	247,156
Equity			
Accumulated Surplus		169,599	247,156
Total Equity		169,599	247,156

The accompanying notes form part of these statements.



**BUILDING AND CONSTRUCTION INDUSTRY
(PORTABLE LONG SERVICE LEAVE) AUTHORITY**
Trading as QLEAVE
Statement of Changes in Equity
for the year ended 30 June 2015

	Accumulated Surplus/Deficit \$'000	TOTAL \$'000
Balance as at 1 July 2013	211,748	211,748
Operating result from continuing operations	<u>35,408</u>	<u>35,408</u>
Other Comprehensive Income	-	-
<i>Total Comprehensive Income for the Year</i>	<u>-</u>	<u>-</u>
Balance as at 30 June 2014	<u>247,156</u>	<u>247,156</u>
Balance as at 1 July 2014	247,156	247,156
Operating result from continuing operations	<u>(77,557)</u>	<u>(77,557)</u>
<i>Other Comprehensive Income</i>	-	-
<i>Total Comprehensive Income for the Year</i>	<u>-</u>	<u>-</u>
Balance as at 30 June 2015	<u>169,599</u>	<u>169,599</u>

The accompanying notes form part of these statements.

**BUILDING AND CONSTRUCTION INDUSTRY
(PORTABLE LONG SERVICE LEAVE) AUTHORITY**
Trading as QLEAVE
Statement of Cash Flows
for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
Interest		407	405
Portable long service leave levies		93,661	175,908
Other revenue		12,796	2,086
GST collected from customers		375	250
GST input tax credits from ATO		266	240
<i>Outflows:</i>			
Employee expenses		(4,761)	(4,412)
Supplies and services		(4,107)	(1,466)
Portable long service leave		(84,138)	(71,971)
Payments for investments		(13,000)	(100,450)
GST paid to suppliers		(463)	(319)
GST remitted to ATO		(22)	(30)
Net cash provided by operating activities	18	1,014	241
Cash flows from investing activities			
<i>Inflows:</i>			
Lease incentive received for plant and equipment		1,134	
<i>Outflows:</i>			
Payments for plant and equipment		(1,311)	(19)
Payments for systems software		-	(11)
Net cash (used in) investing activities		(177)	(30)
Net increase in cash and cash equivalents		837	211
Cash and cash equivalents at beginning of financial year		13,120	12,909
Cash and cash equivalents at end of financial year	10	13,957	13,120

The accompanying notes form part of these statements.



**BUILDING AND CONSTRUCTION INDUSTRY
(PORTABLE LONG SERVICE LEAVE) AUTHORITY**
Trading as QLEAVE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	Objectives and Principle Activities of the Authority
Note 1:	Summary of Significant Accounting Policies
Note 2:	Other Revenue
Note 3:	Income from Investments
Note 4:	Net Gain/(Loss) on Financial Assets at Fair Value
Note 5:	Employee Expenses
Note 6:	Key Management Personnel and Remuneration Expenses
Note 7:	Supplies and Services
Note 8:	Net Employee and Supplies and Services Expenses
Note 9:	Depreciation and Amortisation
Note 10:	Cash and Cash Equivalents
Note 11:	Receivables
Note 12:	Financial Assets at Fair Value through Profit or Loss
Note 13:	Other Current Assets
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Note 15:	Plant and Equipment
Note 16:	Payables
Note 17:	Provision for Scheme Benefits
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Note 19:	Commitments for Expenditure
Note 20:	Contingencies
Note 21:	Equity
Note 22:	Events Occurring after Balance Date
Note 23:	Financial Instruments
Note 24:	General Information

Objectives and Principle Activities of the Authority

The objective of the Building and Construction Industry (Portable Long Service Leave) Authority (the Authority) is to administer a paid long service leave scheme for eligible workers within the building and construction industry in accordance with the *Building and Construction Industry (Portable Long Service Leave) Act 1991*.

The Authority is funded by a levy of 0.25% imposed on building and construction activities over \$150,000 and the income earned from the investment of these funds. The levy rate was reduced from 0.3% effective from 1 July 2014.

The Authority provides services to the following on a fee for service basis:

- Contract Cleaning Industry (Portable Long Service Leave) Authority;
- Workplace Health and Safety Queensland; and
- Building and Construction Industry Training Fund trading as Construction Skills Queensland.

The Authority reported to the Attorney-General and Minister for Justice until 31 January 2015. As of 16 February 2015, the Authority now reports to the Treasurer, Minister for Employment and Industrial Relations, Minister for Aboriginal and Torres Strait Islander Partnerships (The Hon Curtis Pitt MP).

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*.

These financial statements are 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 *Building and Construction Industry (Portable Long Service Leave) Act 1991*. In addition, the financial statements comply with Queensland Treasury's Minimum Reporting Requirements for the year ending 30 June 2015.

The financial statements are for the Authority as a single entity. With respect to compliance with Australian Accounting Standards and Interpretations the Authority has applied those requirements applicable to not-for-profit entities, as the Authority is a not-for-profit statutory body which commenced operations 1 July 1992. Except where stated, the historical cost convention is used.

(b) Special Payments

Special payments include ex-gratia expenditure and other expenditure that the Authority is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2009*, the Authority maintains a register setting out details of all special payments greater than \$5,000. The total of all special payments (including those of \$5,000 or less) is disclosed separately. However, descriptions of the nature of special payments are only provided for special payments greater than \$5,000. No special payments were recorded in 2014-15.

(c) 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.

(d) Receivables

Trade debtors are recognised at the amounts due at the time of project notification. Settlement of these amounts are due and payable at time of notification. An instalment arrangement may be approved to applicants in accordance with Section 82 of the *Building and Construction Industry (Portable Long Service Leave) Act 1991*. Trade debtors are presented as current assets unless collection is not expected for more than twelve months after reporting date.

The collectability of receivables is assessed periodically with an allowance being made for impairment. All known bad debts were written-off as at 30 June 2015. The allowance for impairment is based on loss events in conjunction with current debtor monitoring and analysis. Refer Note 23.

Other debtors generally arise from the Authority acting on a fee for service basis for levy collection. Income for providing these services is in accordance with agency agreements. The income received from acting as an agent for the collection of levy is disclosed in Note 2. Terms are a maximum of one month, no interest is charged and no security is obtained.

(e) Revenue Recognition

Revenue is recognised where it can be reliably measured and the entity has an unconditional right to receive it in the period to which it relates.

Levy revenue is recognised at the date of notification.

Distribution income from investments is recognised when the right to receive the payment is established.



(f) Acquisition of Assets

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. Any training costs are expensed as incurred.

(g) Property, Plant and Equipment

The Authority holds no property. Plant and equipment with a cost or other value equal to or in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition.

Items with a lesser value are expensed in the year of acquisition.

(h) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the Authority include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the Authority assets/liabilities, internal records or recent costs (and/or estimate of such costs) for assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

All assets and liabilities of the Authority for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

Level 1 - represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;

Level 2 - represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and

Level 3 - represents fair value measurements that are substantially derived from unobservable inputs.

The Authority's holdings in financial assets at fair value through profit and loss is limited to unlisted unit trusts managed by QIC Limited. The fair value of these holdings was based on the unit price of the relevant trust at reporting date. The unit price is derived based on observable market data for underlying investments held by the trust. Accordingly, the Authority classifies these financial assets as level 2.

(i) Intangibles

Intangible assets with a cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed.

It has been determined that there is not an active market for any of the Authority's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

No intangible asset has been classified as held for sale or form part of a disposal group held for sale.

The purchase cost of software has been capitalised and is being amortised on a straight-line basis over the period of the expected benefit to the Authority, namely 5 years. The residual value is zero for all software.

(j) Amortisation and Depreciation of Intangibles and Plant and Equipment

All intangible assets of the Authority have finite useful lives and are amortised on a straight line basis.

Plant and equipment is depreciated on a straight-line basis so as to allocate the net cost of each asset progressively over its estimated useful life to the Authority.

Expenditure that increases the originally assessed capacity or service potential of an asset is capitalised, in accordance with the Authority's threshold limits, and the new depreciable amount is depreciated over the remaining useful life of the asset.

The depreciation and amortisation rates of each class of depreciable asset is reviewed annually and are as follows:

Class	Rate %
Plant and Equipment:	
Computer equipment	20
Office equipment	20
Tenancy fitout	14
Intangible Assets:	
Software	20

(k) Impairment of Non-Current Assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Authority determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the assets fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income.

(l) Leases

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

Lease incentives received are recognised as a reduction of rental expense over the lease term on a straight-line basis unless another systematic basis is more reflective of the time pattern of the lessee's benefit.

(m) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

(n) 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 or loss
- Receivables - held at amortised cost
- Financial assets - held at fair value through profit or 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 23.

(o) Employee Benefits

Employer superannuation contributions, annual leave and long service leave are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages, Salaries, Annual Leave and Sick Leave

Wages and salaries due but unpaid at reporting date are recorded in the Statement of Financial Position at the current salary rates.

For unpaid annual leave entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Long Service Leave

Long service leave entitlements payable are assessed at each payroll period having regard to current employee remuneration rates, employment related on-costs and other factors including accumulated years of employment and actual amounts paid to employees for long service leave. Current benefits represent those that the Authority does not have an unconditional right to defer settlement for at least 12 months.

Superannuation

Employees of the Authority are members of QSuper. Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The Authority's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.



Key Management Personnel and Remuneration

Key management personnel and remuneration disclosures are made in accordance with Section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury and Trade. Refer to Note 6 for the disclosures on key management personnel and remuneration.

The QLeave board consists of 8 Directors. The remuneration disclosed for key management and directors is all remuneration paid or payable, directly or indirectly, by the Authority in connection with the management of the affairs of the Authority. Refer Note 6. For this purpose, remuneration includes board meeting and committee fees and conference attendance.

The General Manager is responsible for the management of the Authority under direction of the Board.

(p) Portable Long Service Leave Scheme Benefits

The long service leave liability of the scheme was determined via actuarial assessment as required by the *Building and Construction Industry (Portable Long Service Leave) Act 1991*. 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* and AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* whereby the current liability represents any amount of scheme benefits liability for which the Authority does not have an unconditional right to defer settlement for at least twelve months after the reporting date. The discount rate applied to the projected payments of Scheme liabilities was 7.0% per annum. Refer Note 17.

(q) Insurance

The Authority's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis. In addition, the Authority pays premiums to Work Cover Queensland in respect of its obligations for employee compensation.

(r) Taxation

The activities of the Authority are exempt from Commonwealth taxation with the exception of Fringe Benefit Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Authority. GST credits receivable from, and GST payable to the ATO, are recognised. Refer Note 11. The collection of levies is not subject to GST.

(s) 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.

(t) Accounting Estimates and Judgements

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

An actuarial investigation of funds is required to be undertaken in accordance with Section 35 (1) of the *Building and Construction Industry (Portable Long Service Leave) Act 1991* at intervals of not more than 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 in accordance with legislation.

An independent full actuarial assessment was completed in March 2015 utilising 30 June 2014 worker data. Actuarial assumptions used in the assessment of the total liability included earning rates on investments, discount rate, rates of leaving the industry and in service claim rates, rates of death and retirement, future accrual of certificate credits, wage rates, contract values and operating expenses.

Employers are required to submit annual returns for eligible workers at the end of each financial year. Collation and processing of employer information is provided to the actuary in October/November each year.

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 17.

QLeave recognises revenue on formal notification of the project (notwithstanding the fact QLeave collects levies on longer term projects over their term). The quantum of revenue is estimated based on three elements, (i) the applicable levy rate (actual) multiplied by (ii) the leviable project costs (estimate), discounted (iii) by the time cost of money (if material).

(t) Accounting Estimates and Judgements (cont'd)

Legislative changes effective 1 July 2014 allowed for transitional arrangements to apply to building and construction work where the cost of work was more than \$5 billion, where the levy had not been paid in full as at 30 June 2014 and where the building and construction work notified has not been completed as at 30 June 2014.

The financial impact of transitional arrangements was estimated to be \$18.2 million and actual cost was \$7.82 million. The unused amount of \$10.38 million is shown as income.

(u) Other Presentation Matters

Currency and Rounding - 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.

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

Current/Non-Current Classification - Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Authority does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

(v) New and Revised Accounting Standards

The Authority did not voluntarily change any of its accounting policies during 2014-15. There were no Australian Accounting Standards applicable for the first time as from 2014-15.

The Authority is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury and Trade. Consequently, the Authority has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The Authority applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commencements dates are as set out below.

From reporting periods beginning on or after 1 July 2016, the Authority will need to comply with the requirements of AASB 124 *Related Party Disclosures*. That accounting standard requires a range of disclosures about the remuneration of key management personnel, transactions with related parties/entities, and relationships between parent and controlled entities. The Authority already discloses information about the remuneration expenses for key management personnel (refer note 6) in compliance with requirements from Queensland Treasury. Therefore, the most significant implications of AASB 124 for the Authority's financial statements will be the disclosures to be made about transactions with related parties, including transactions with key management personnel or close members of their families.

AASB 15 *Revenue from Contracts with Customers* will become effective from reporting periods beginning on or after 1 January 2017. This standard contains much more detailed requirements for the accounting for certain types of revenue from customers. Depending on the specific contractual terms, the new requirements may potentially result in a change to the timing of revenue from the provision of the Authority's services, such that some revenue may need to be deferred to a later reporting period to the extent that the Authority received cash but has not met its associated obligations (such amounts would be reported as liability (unearned revenue) in the meantime). The Authority is yet to complete its analysis of current arrangements for the provision of its services, but at this stage does not expect there to be an impact on its present accounting practices.

AASB 9 *Financial Instruments* and AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)* will become effective from reporting periods beginning on or after 1 January 2018. The main impacts of these standards on the Authority are that they will change the requirements for classification, measurement, impairment and disclosures associated with the Authority's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

As the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the Authority's conclusions will not be confirmed until closer to that time. At this stage, and 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 2017-18 financial statements, all of the Authority's financial assets are expected to be required to be measured at fair value. In the case of the Authority's current receivables, as they are short term in nature, the carrying amount is expected to be a reasonable approximation of fair value.



(v) New and Revised Accounting Standards (cont'd)

Another impact of AASB 9 relates to calculating impairment losses for the Authority's receivables. Assuming no substantial change in the nature of the Authority's receivables, as they do not include a financing component, impairment losses will be determined according to the amount of lifetime expected credit losses. On initial adoption of AASB 9, the Authority will need to determine the expected credit losses for its receivables by comparing the credit risk at that time to the credit risk that existed when those receivables were initially recognised.

The Authority will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2018-19. However, changes disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2018-19 financial statements to explain the impact of adopting AASB 9. Assuming no change in the types of financial instruments that the Authority enters into, the most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets subject to impairment.

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.

	2015 \$'000	2014 \$'000
2. Other Revenue		
Under agreement the Authority acts on a fee for service basis for the collection of levies on behalf of the entities listed below:		
Workplace Health and Safety Queensland		
Construction Skills Queensland		
Contract Cleaning Industry (Portable Long Service Leave) Authority		
Fee for Service	2,164	2,166
Other	3	1
Unused Transitional Rebate	10,384	-
Total	12,551	2,167

The provision set in 2013-14 for the transitional rebate included an unused amount of \$10.38 million.

3. Income from Investments

Queensland Treasury Corporation Interest	318	334
Queensland Investment Corporation Growth Fund Distribution	17,401	21,554
Queensland Investment Corporation GFI Inflation Plus Fund Distribution	701	2,259
Total	18,420	24,147

4. Net Gain/(Loss) on Financial Assets at Fair Value

Queensland Investment Corporation Growth Fund

Earnings	40,905	84,517
Less Distributions	(17,400)	(21,554)
Fair Value Movement	23,505	62,963

Queensland Investment Corporation GFI Inflation Plus Fund

Earnings	1,926	3,893
Less Distributions	(701)	(2,259)
Fair Value Movement	1,225	1,634

	2015 \$'000	2014 \$'000
4. Net Gain/(Loss) on Financial Assets at Fair Value (cont'd)		
Movement in Financial Assets		
<i>Queensland Investment Corporation Growth Fund</i>		
Opening Balance 1 July	692,270	608,734
Plus		
Earnings	40,905	84,517
Contributions	-	-
Distributions reinvested	22,963	22,744
Less		
Distributions	(17,400)	(21,554)
Redemptions - Fees	(2,337)	(2,171)
Closing Balance 30 June	736,401	692,270
<i>Queensland Investment Corporation GFI Inflation Plus Fund</i>		
Opening Balance 1 July	110,141	6,049
Plus		
Earnings	1,926	3,893
Contributions	29,000	100,450
Distributions reinvested	959	2,152
Less		
Distributions	(701)	(2,259)
Redemptions	(16,000)	-
Redemptions - Fees	(334)	(144)
Closing Balance 30 June	124,991	110,141
5. Employee Expenses		
Employee Benefits		
Salaries and wages *	3,494	3,327
Annual leave expense *	345	338
Employer superannuation contributions *	445	445
Long service leave expense *	126	129
Employee Related Expenses		
Workers' compensation premium *	10	16
Payroll tax *	206	162
Fringe benefits tax	11	19
Total	4,637	4,456

* Refer to Note 1(o)

The number of employees at 30 June, including both full-time and part-time employees measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resources Information (MOHRI)) was:

Number of Employees	47	49.6
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6. Key Management Personnel and Remuneration Expenses

(a) Key Management Personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the agency during 2014-15 including board members. Further information on these positions can be found in the body of the Annual Report under the section relating to The Board.

Position	Responsibilities	Current Incumbents	
		Contract Classification and appointment authority	Date appointed to position (Date resigned from position)
General Manager	Managing the Authority	SES2 Director General	18 July 2014
Board Members	Commercial policy and management	Board Director Minister	1 July 2013

The General Manager Position became vacant early July 2014 due to the retirement of the incumbent. There was no loss in business continuity.



6. Key Management Personnel and Remuneration Expenses (cont'd)

(a) Key Management Personnel (cont'd)

The following board members held the position of Director during the year ended 30 June 2015:

Ms Jacqueline D'Alton	Chair
Mr Adam Stoker	Deputy Chair
Mr John Crittall	Employer Representative (QMBA)
Mr Gary Deane	Employer Representative (CCF)
Ms Debra Johnson	Employer Representative (HIA)
Mr Rohan Webb	Worker Representative (AMWU)
Mr Bradley O'Carroll	Worker Representative (PUQ)
Ms Amanda Richards	Independent Worker Representative

Board members are remunerated through the provisions of the "Remuneration of Part-time Chairs and Members of Government Boards, Committees and Statutory Authorities" issued by the Department of Justice and Attorney-General Public Service Commission.

Apart from the details disclosed in these financial statements, no Director has entered into a material contract with the Authority.

The terms and conditions of any transactions with Directors and their related entities were no more favourable than those available or which might reasonably be expected to be available, on similar transactions to Non-Director related entities on an arm's length basis.

From time to time, particular Directors of the Authority may be required to comply with the *Building and Construction Industry (Portable Long Service Leave) Act 1991* and the *Work Health and Safety Act 2011* in respect of payment of levies for their own business undertakings in building and construction work. The levying of these charges is on the same terms and conditions as those entered into by other liable parties.

(b) Remuneration

Remuneration policy for the agency's key management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. The remuneration and other terms of employment for the key management personnel are specified in employment contracts.

For the 2014-15 year, remuneration for the General Manager increased by 2.2% in accordance with government policy.

The following disclosures focus on the expenses incurred by the Authority during the respective reporting periods, that is attributable to key management positions. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

Remuneration expenses for key management personnel comprises the following components:

- Short term employee expenses which include:
 - salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position;
 - non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned;
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations; and
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods of payment in lieu of notice on termination, regardless of the reason of termination.

1 July 2014 - 30 June 2015

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
General Manager (Current)	164	24	10	19	-	217
General Manager (Past)	23	22	132	-	160	337
Ms Jacqueline D'Alton	11	-	-	-	-	11
Mr Adam Stoker	2	-	-	-	-	2
Mr John Crittall	2	-	-	-	-	2
Mr Gary Deane	3	-	-	-	-	3
Ms Debra Johnson	2	-	-	-	-	2
Mr Rohan Webb	2	-	-	-	-	2
Ms Amanda Richards	3	-	-	-	-	3
Mr Bradley O'Carroll	2	-	-	-	-	2
Total Remuneration	214	46	142	19	160	581

6. Key Management Personnel and Remuneration Expenses (cont'd)

(b) Remuneration (cont'd)

1 July 2013 - 30 June 2014

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
General Manager (Past)	170	40	8	20	-	238
Ms Jacqueline D'Alton	11	-	-	-	-	11
Mr Adam Stoker	3	-	-	-	-	3
Mr John Crittall	2	-	-	-	-	2
Mr Gary Deane	4	-	-	-	-	4
Ms Debra Johnson	2	-	-	-	-	2
Mr Rohan Webb	2	-	-	-	-	2
Ms Amanda Richards	2	-	-	-	-	2
Mr Bradley O'Carroll	1	-	-	-	-	1
Total Remuneration	197	40	8	20	-	265

	2015 \$'000	2014 \$'000
7. Supplies and Services		
Advertising and promotions	105	105
Computer costs	316	263
Personnel development	80	84
External audit fees *	30	26
Contractor charges	786	567
Consultancy charges	79	124
Legal expenses	77	222
Motor vehicle costs	9	13
Motor vehicle leases	25	33
Travel costs	42	40
Telecommunication costs	78	76
Printing and photocopying	85	80
Reference Materials	56	51
General administration	481	440
Insurance Premiums - QGIF	6	5
Leases - rental	529	509
Building services	82	97
Office Fitout Expenses **		-
Maintenance building, plant and equipment	10	15
Expensed assets	24	6
Portable and attractive assets	6	36
Special payment - Ex-gratia payment	-	-
Impairment losses	-79	112
Loss on sale of assets	9	
Total	2,836	2,905

* Total audit fees paid to the Queensland Audit Office contracted auditors relating to the 2014-15 financial statements are estimated to be \$29,600 (2014: \$28,500). There are no non-audit services included in this amount.

** The Authority renegotiated its accommodation lease at its current premises resulting in the need to refurbish. The landlord provided an incentive payment which was fully expensed.

8. Net Employee and Supplies and Services Expenses

Employee expenses of \$4.637 million (2014: \$4.456 million) (Note 5) together with supply and services expenses of \$2.836 million (2014: \$2.905 million) (Note 7) total \$7.473 million (2014: \$7.361 million). These are offset by income from fee for service activities for the collection of levies on behalf of other organisations of \$2.164 million (2014: \$2.166 million). This results in a net cost of \$5.306 million (2014: \$5.195 million).



	2015 \$'000	2014 \$'000
9. Depreciation and Amortisation		
Depreciation and amortisation were incurred in respect of:		
Plant and Equipment	21	25
Software	44	41
Total	65	66

Depreciation expense decreased by \$1,000 in 2015 (2014: increased by \$24,000).

10. Cash and Cash Equivalents

Cash at bank	3,957	2,409
Queensland Treasury Corporation (QTC) - deposits at call	10,000	10,500
Total	13,957	12,909

Interest on cash held with the Commonwealth Bank earned 2.5% in 2015 (2014: 2.6%). Deposits with QTC earned interest at 2.83% in 2015 (2015: 3.43%).

11. Receivables

Current

Trade debtors *	15,266	54,519
Less: Provision for transitional rebate	-	(18,200)
Less: Allowance for impairment loss	(50)	(150)
	15,216	36,169
Accrued Revenue **	12,956	18,777
GST input tax credits receivable	7	-
	12,963	18,777
Other	538	763
Less: Allowance for impairment loss	(11)	(11)
	527	752
Total	28,706	55,698

Non-Current

Trade debtors ***	900	4,995
Total	900	4,995

* Includes an amount of \$8.01 million for two cost of works for which there is some doubt as to whether they will proceed.

** Includes Queensland Investment Corporation 4th quarter distribution for the Growth Fund \$12.92 million.

*** The Non-current trade debtors figure represents instalments allowed under Section 82 of the *Building and Construction Industry (Portable Long Service Leave) Act 1991*.

Refer to Note 23 (c) Financial Instruments (Credit Risk Exposure) for an analysis of movements in the allowance for impairment loss.

12. Financial Assets at Fair Value through Profit or Loss

Queensland Investment Corporation (QIC) - Growth Fund	736,401	692,270
Queensland Investment Corporation (QIC) - GFI Inflation Plus Fund	124,991	110,141
Total	861,392	802,411

13. Other Current Assets

Prepayments	561	469
Total	561	469

14. Intangibles

At cost	2,874	2,874
Less: Accumulated depreciation	(2,753)	(2,709)
Total	121	165
Carrying amount as at 1 July	165	195
Acquisitions	-	11
Disposals	-	-
Depreciation	(44)	(41)
Carrying amount at 30 June	121	165

The Authority has intangibles with an original cost of \$206,000 and a written down value of \$121,000 still being used in the provision of services. The intangibles recognised is on account of software enhancements to the claim system.

	2015 \$'000	2014 \$'000
15. Plant and Equipment		
At cost	2,100	843
Less: Accumulated depreciation	(750)	(774)
Total	1,350	69
Carrying amount as at 1 July	69	75
Acquisitions	1,311	19
Loss on Disposal	(9)	-
Depreciation	(21)	(25)
Carrying amount at 30 June	1,350	69

The Authority has plant and equipment with an original cost of \$2.1 million and a written down value of \$1.35 million still being used in the provision of services. The acquisition is the capitalisation of the accommodation fitout of \$1.3 million June 2015.

16. Payables

Current

Trade creditors	574	1,523
Accrued charges	1,509	1,960
Total	2,083	3,483

17. Provision for Scheme Benefits

Current

Provision for long service leave - expected to be settled within 12 months (measured at present value)	100,000	84,000
Provision for long service leave - expected to be settled after 12 months (measured at present value)	256,000	218,000
Total	356,000	302,000

Non-Current

Provision for long service leave (measured at present value)	377,000	323,000
Total	377,000	323,000

Movements in Provision

Balance as at 1 July	625,000	562,000
Additional provision recognised	191,894	135,281
Reductions in provisions as a result of payments	(83,894)	(72,281)
Balance as at 30 June	733,000	625,000

* The total current provision of \$356 million (2014: \$302 million) represents the value for which the Authority does not have an unconditional right to defer settlement for at least twelve months. The Authority only expects to pay \$100 million over the next twelve months.

Scheme eligible members as at 30 June were:	290,255	285,027
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The financial assumptions used in the actuarial valuation of Scheme Member Benefits were:

	%	%
Investment return - net of management fees	7.0	7.8
Rate of pay inflation	5.0	4.0
Real return	2.0	3.8

The above figures are actuarially assessed. The latest actuarial assessment of the scheme's liabilities by DeeDeeRa was in March 2015 and prepared based on a number of assumptions.

The major actuarial assumptions used were:

- long term investment return of 7.0% 2014-15 and thereafter;
- rate of salary inflation at 5.0% per annum;
- future accrual of certificate credits at 165 days per annum;
- wage rate of \$1,357.08 per week as at 30 June 2014;
- discount rate of 7.0% applied to payment of Scheme liabilities;
- leviable construction values of \$34.0 billion 2014-15, \$28.852 billion 2015-16, \$30.19 billion 2016-17, \$31.9 billion 2017-18, \$32.356 billion 2018-19 and after 2018-19 increasing 4% per annum thereafter;
- the value of work commencing on major resource projects as a proportion of total work commencing being 10% per annum; and
- expenses of administering the scheme at 0.02% of leviable construction value in 2014-15 increasing 4% per annum thereafter.



	2015 \$'000	2014 \$'000
18. Reconciliation of Operating Surplus to Net Cash from Operating Activities		
Operating surplus	(77,557)	35,408
Adjustments for non-cash items:		
Depreciation and amortisation expense	65	66
Net losses on disposal of plant and equipment	9	-
Changes in assets and liabilities:		
(Increase) decrease in Financial Assets	(58,981)	(187,628)
(Increase) decrease in Receivables	31,087	87,525
(Increase) decrease in Prepayments	(92)	84
Increase (decrease) in Payables	(1,400)	1,706
Increase (decrease) in PLSL Scheme Benefits Provision	108,000	63,000
Increase (decrease) in Employee Entitlements Provision	(117)	80
Net cash from operating activities	1,014	241

19. Commitments for Expenditure

(a) Non-Cancellable Operating Lease

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

Not later than one year	367	582
Later than one year and not later than five years	2,158	-
Later than five years	1,882	-
Total	4,407	582

Operating leases are entered into as a means of acquiring office accommodation and printing services. The office accommodation lease is effective 1 July 2015 for a 10 year term and the printing services for a five year term to 30 June 2020.

(b) Other Expenditure Commitments

Other expenditure committed at the end of the period but not recognised in the accounts are as follows:

Payable:		
Not later than one year	292	-
Total	292	-

20. Contingencies

Litigation in progress

As at 30 June 2015, there were no cases filed in the courts naming the Authority as defendant:

	Cases	Cases
Industrial Magistrates Court	-	1
Total	-	1

21. Equity

Accumulated Surplus

	2015 \$'000	2014 \$'000
Opening balance	247,156	211,748
Net surplus	(77,557)	35,408
Closing balance	169,599	247,156

The Authority is self funded, does not draw funds from consolidated revenue and is not guaranteed funds from the Government for supplementation of the scheme.

22. Events Occurring after Balance Date

There are no events occurring after balance date.

23. Financial Instruments

(a) Categorisation of Financial Instruments

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

Category	Note	2015 \$'000	2014 \$'000
Financial Assets			
Cash and cash equivalents	10	13,957	13,120
Receivables	11	29,606	60,693
Financial assets at fair value through profit or loss:			
QIC - Growth Fund	12	736,401	692,270
QIC - GFI Inflation Plus Fund	12	124,991	110,141
Total		904,955	876,224

23. Financial Instruments (cont'd)

(a) Categorisation of Financial Instruments (cont'd)

Category	Note	2015 \$'000	2014 \$'000
Financial Liabilities			
Financial liabilities measured at amortised cost:			
Payables	16	2,083	3,483
Total		2,083	3,483

(b) Financial Risk Management

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

Financial risk management is implemented pursuant to the Authority's Investment Policy Statement. 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

Credit risk exposure refers to the situation where the Authority may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

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:

Category	Maximum Exposure to Credit Risk	Note	2015 \$'000	2014 \$'000
Financial Assets				
Cash and cash equivalents		10	13,957	13,120
Receivables		11	29,606	60,693
Total			43,563	73,813

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.

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.

Amounts written off for the current year regarding the Authority's receivables is \$21,000. This was a decrease of \$91,000 from 2014 and is mainly due to two companies going into liquidation with QLeave having no prospect of recovering the outstanding levy.

The provision amount was reduced from \$161,000 to \$61,000. This level is considered appropriate given past impairment and current assessment of debtors.

Section 84 of the *Building and Construction Industry (Portable Long Service Leave) Act 1991* provides for charging of interest on unpaid levies under certain circumstances.

Application of this provision is discretionary and on this basis receivables are not considered an interest bearing financial asset. Interest charges of \$126,000 in 2014-15 (\$1.11 million in 2013-14) were imposed mainly relating to late notification of building and construction works.

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

2015 Financial Assets Past Due But Not Impaired

	Overdue				Total \$'000
	Less than 30 Days \$'000	30-60 Days \$'000	61-90 Days \$'000	More than 90 Days \$'000	
Financial Assets					
Receivables	567	69	62	377	1,075
Total	567	69	62	377	1,075



23. Financial Instruments (cont'd)

(c) Credit Risk Exposure (cont'd)

2014 Financial Assets Past Due But Not Impaired

	Overdue				Total
	Less than 30 Days	30-60 Days	61-90 Days	More than 90 Days	
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Receivables	1,049	95	300	298	1,742
Total	1,049	95	300	298	1,742

2015 Individually Impaired Financial Assets

	Overdue				Total
	Less than 30 Days	30-60 Days	61-90 Days	More than 90 Days	
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Receivables (gross)	-	-	-	61	61
Allowance for Impairment	-	-	-	(61)	(61)
Carrying Amount	-	-	-	-	-

2014 Individually Impaired Financial Assets

	Overdue				Total
	Less than 30 Days	30-60 Days	61-90 Days	More than 90 Days	
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Receivables (gross)	-	-	-	161	161
Allowance for Impairment	-	-	-	(161)	(161)
Carrying Amount	-	-	-	-	-

	2015 \$'000	2014 \$'000
Movement in Allowance for Impairment		
Balance at 1 July	161	161
Increase/decrease in allowance recognised in operating result	(79)	112
Amounts written off during the year	(21)	(112)
Balance at 30 June	61	161

(d) Liquidity Risk

Liquidity risk refers to the situation where the Authority may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

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

The Authority manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the 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 the 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	2015 Payable in			Total
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	
Financial Liabilities					
Payables	16	2,083	-	-	2,083
Total		2,083	-	-	2,083

	Note	2014 Payable in			Total
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	
Financial Liabilities					
Payables	16	3,483	-	-	3,483
Total		3,483	-	-	3,483

23. 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% applied to the carrying amount as at 30 June 2015 (2014: +/- 3%). These fluctuations are considered appropriate given the economic and market climate. With all other variables held constant, the Authority would have a surplus/(deficit) and equity current world increase/(decrease) of \$25,842,000 (\$24,072,000 in 2014). This is attributable to the Authority's exposure to investments returns held with QIC's Growth Fund and GFI Inflation Plus Fund.

Financial Instruments	Carrying Amount \$'000	2015 Market rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
QIC - Growth Fund	736,401	(22,092)	(22,092)	22,092	22,092
QIC - GFI Inflation Plus Fund	124,991	(3,750)	(3,750)	3,750	3,750
Potential Impact		(25,842)	(25,842)	25,842	25,842

Financial Instruments	Carrying Amount \$'000	2014 Market rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
QIC - Growth Fund	692,270	(20,768)	(20,768)	20,768	20,768
QIC - GFI Inflation Plus Fund	110,141	(3,304)	(3,304)	3,304	3,304
Potential Impact		(24,072)	(24,072)	24,072	24,072

(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 surplus/(deficit) and equity increase/(decrease) of \$140,000 (\$131,000 in 2014).

Financial Instruments	Carrying Amount \$'000	2015 Interest rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Cash and cash equivalents	13,957	(140)	(140)	140	140
Potential Impact		(140)	(140)	140	140

Financial Instruments	Carrying Amount \$'000	2014 Interest rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Cash and cash equivalents	13,922	(131)	(131)	131	131
Potential Impact		(131)	(131)	131	131

(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:



23. Financial Instruments (cont'd)

(g) Fair Value (cont'd)

2015 Recognised Fair Value Assets/Liabilities

	Classification of financial instruments			Total Carrying Amount
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2015 \$'000
Financial Assets				
Cash and cash equivalents	13,957	-	-	13,957
QIC - Growth Fund	-	736,401	-	736,401
QIC - GFI Inflation Plus Fund	-	124,991	-	124,991
Total	13,957	861,392	-	875,349

2014 Recognised Fair Value Assets/Liabilities

	Classification of financial instruments			Total Carrying Amount
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2014 \$'000
Financial Assets				
Cash and cash equivalents	13,120	-	-	13,120
QIC - Growth Fund	-	692,270	-	692,270
QIC - GFI Inflation Plus Fund	-	110,141	-	110,141
Total	13,120	802,411	-	815,531

The Authority does not recognise any financial liabilities at fair value. The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

24. General Information

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

Level 4
Lutwyche City
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 yoursay@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 62(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 financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Building and Construction Industry (Portable Long Service Leave) Authority for the financial year ended 30 June 2015 and of the financial position of the Authority at the end of that year; and
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

J Dahl
General Manager



19 August 2015

J D'Alton
Chair



19 August 2015



INDEPENDENT AUDITOR'S REPORT

To the Board of Building and Construction Industry (Portable Long Service Leave) Authority (trading as QLeave)

Report on the Financial Report

I have audited the accompanying financial report of Building and Construction Industry (Portable Long Service Leave) Authority (trading as QLeave), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chair of the Board 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 gives a true and fair view and 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 be removed only 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 Building and Construction Industry (Portable Long Service Leave) Authority (trading as QLeave) for the financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



M J KEANE CA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane





INTERSTATE SCHEMES

VICTORIA

CoInvest

Level 6, 478 Albert Street
East Melbourne Victoria 3002
Telephone: (03) 9664 7677
Facsimile: (03) 9663 7088
Email: info@coinvest.com.au
www.coinvest.com.au

NEW SOUTH WALES

Long Service Corporation

Level 1, 19-21 Watt Street
Gosford NSW 2250
Telephone: 13 14 41
Facsimile: (02) 9287 5685
Email: info@longservice.nsw.gov.au
www.longservice.nsw.gov.au

SOUTH AUSTRALIA

Construction Benefit Services

Level 2, 191 Fullarton Road
Dulwich SA 5065
Telephone: (08) 8332 6111
Facsimile: (08) 8333 4314
Email: enquiries@cbserv.com.au
www.cbserv.com.au

AUSTRALIAN CAPITAL TERRITORY

ACT Long Service Leave Authority

71 Constitution Avenue
Campbell ACT 2612
Telephone: (02) 6247 3900
Facsimile: (02) 6257 5058
Email: construction@actleave.act.gov.au
www.actleave.act.gov.au

TASMANIA

TasBuild Ltd

196 Campbell Street
Hobart Tasmania 7000
Telephone: (03) 6233 7670
Facsimile: (03) 6233 7224
Email: secretary@tasbuild.com.au
www.tasbuild.com.au

WESTERN AUSTRALIA

My Leave

1st Floor, 26 Colin Street
West Perth WA 6005
Telephone: (08) 9476 5400
Facsimile: (08) 9321 5404
Email: hi@myleave.wa.gov.au
www.myleave.wa.gov.au

NORTHERN TERRITORY

NT Build

32-33/12 Charlton Court
Woolner NT 0820
Telephone: 1300 795 855
Facsimile: (08) 8936 4080
Email: info@ntbuild.com.au
www.ntbuild.com.au

PUBLIC AVAILABILITY

This annual report can be viewed online at www.qleave.qld.gov.au > Building and Construction Industry link.

For further information contact the
Manager Corporate Communications on:

Phone 07 3212 6811

Fax 07 3212 6844

Email yoursay@qleave.qld.gov.au

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ADDITIONAL INFORMATION

Information on consultancies can be accessed through the Queensland Government Open Data Website: www.qld.gov.au/data.



INTERPRETER SERVICE STATEMENT

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.



PORTABLE
LONG SERVICE
LEAVE

Building and Construction Industry (Portable Long Service Leave) Authority

Level 4, Lutwyche City
543 Lutwyche Road
Lutwyche Queensland 4030
PO Box 512, Lutwyche Queensland 4030

Phone 07 3212 6811
Fax 07 3212 6844
Email yoursay@qleave.qld.gov.au
Web www.qleave.qld.gov.au

HELP LINES
Workers and Employers
1800 803 491
Levy Payers
1800 803 481