



annual report  
**2014-2015**

**Contract Cleaning 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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The Contract Cleaning Industry (Portable Long Service Leave) Authority was established to administer a paid long service leave scheme for eligible workers in the contract cleaning industry regardless of the number of employers they work for. QLeave administers the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005* on behalf of the Authority. For specific details of the statutory reporting requirements please access the QLeave – Building and Construction Industry (Portable Long Service Leave) Authority Annual Report 2014-2015 at [www.qleave.qld.gov.au](http://www.qleave.qld.gov.au)

# 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 Contract Cleaning Industry (Portable Long Service Leave) Authority.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements can be accessed at [www.qleave.qld.gov.au](http://www.qleave.qld.gov.au)

Yours sincerely



**Martin Dowling**  
CHAIRPERSON  
Contract Cleaning Industry (Portable Long Service Leave) Authority



# Contents

- 01 ABOUT THE AUTHORITY**  
A message from the Chair and General Manager
- 02 STRATEGIC OBJECTIVES, INDICATORS AND MEASUREMENT**
- 03 CLIENTS / STAKEHOLDERS**  
Achievements and performance measures  
Strategies for 2015-16
- 06 FINANCIAL MANAGEMENT**  
Investment performance  
Budget performance  
Actuarial assessment  
Strategies for 2015-16
- 07 CORPORATE GOVERNANCE AND RISK MANAGEMENT**  
Composition of the Board  
Remuneration  
Board meetings  
Directors' attendance at meetings  
The Board and QLeave's Management  
Issues for the Board  
2014-15 Board Performance Assessment  
Internal Audit  
Information systems and recordkeeping  
Strategies for 2015-16
- 11 THE BOARD**
- 13 FINANCIAL STATEMENTS**

# About the Authority

## A MESSAGE FROM THE CHAIR AND GENERAL MANAGER

The Contract Cleaning Industry (Portable Long Service Leave) Authority is the statutory body responsible for administering the portable long service leave scheme for workers and employers in the contract cleaning industry, in Queensland.

The Scheme is established under the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005*, and is funded by a statutory and actuarially determined levy on registered employers and the investment of these collected funds. The actuary report at 30 June 2013 found the Scheme was in a very sound position and recommended a levy rate reduction from 1.7% to 1.3% which was implemented from 1 July 2015.

While the Scheme is not yet mature, there have been 1,500 long service leave payments made to registered workers and employers, totalling over \$4.54 million, since Scheme inception in 1 July 2005.

Our focus on revitalising client services through digital service delivery was demonstrated through the development of an online employer return application. The new process was released for use in December 2014 and has been well received and utilised by employers.

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

Thanks also to the Board for their support as we remained focused on improving the administrative efficiency of the Scheme, through review of the legislation, with complete commitment to digital service provision.



**Martin Dowling**

CHAIRPERSON



**Julie Dahl**

GENERAL MANAGER



# Strategic Objectives, Indicators and Measurement

Critical areas and goals	Objectives	Indicators	Achieved
Clients/Stakeholders → Workers → Employers → Levy Payers → Alliance Partners → Contractual Partners → Government	Deliver quality client service and communications	→ Activities undertaken and issues addressed in consultation with industry → Strategies implemented for emerging sectors and regions and workforce composition → 100% customer service standards met → 85% client and stakeholder satisfaction → Client feedback use to improve service delivery → Marketing services delivered → 100% online transactions within 5 years	✓
Financial Management	Maintain financial accountability and sustainability of the Portable Long Service Leave Scheme	→ Investment strategy reviewed to achieve optimal returns with reduced volatility → Achieve a net investment return which exceeds Average Weekly Ordinary Time earnings (AWOTE) by at least 3% p.a. when measured over rolling five year periods → Achieve returns that are within +/- 10% of the performance objective on an annual basis → Approved actuarial recommendations actioned, including levy rate assessment → Financial targets achieved → Reporting targets met	✓
Corporate Governance and Risk Management	Sound corporate governance, compliance and risk management frameworks	→ Compliance with all statutory obligations → Annual Board governance and framework review → Quality Certification maintained to ISO 9001:2008 → Business continuity and disaster recovery processes reviewed and tested annually → Planned compliance activities delivered	✓
Business systems and processes	Continuous development and improvement of business systems and processes	→ Identified improvement projects implemented	✓

# Clients / Stakeholders

Objectives: Deliver quality client service and communications to build and strengthen relationships with key stakeholders, particularly in regional and growth areas, including:

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

Manage compliance across levy income, long service leave payments, employer obligations, worker eligibility and debt management.

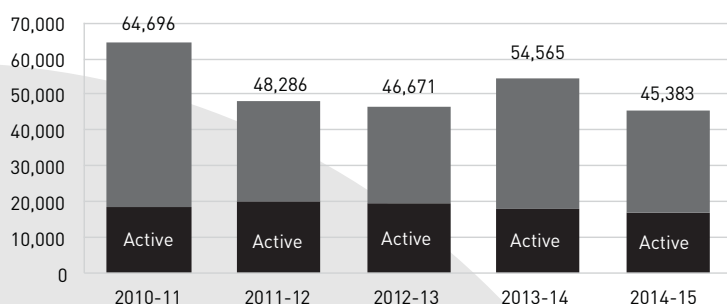
## WORKERS – ACHIEVEMENTS AND PERFORMANCE MEASURES

→ As at 30 June 2015, there were 45,383 workers registered with the Authority.

→ Of these, 17,110 were active workers, compared with 18,037 at 30 June 2014. Active workers are workers who have recorded service in one of the previous four quarters.

→ Under the Four Year Rule, 7,134 workers, who had not recorded service in the last four consecutive years, had their registrations cancelled during 2014-15.

Worker Registrations 2010-2015



→ Long service leave statements were made available to workers in September 2014. The statement shows a worker's record of service credits for the financial year and their recorded earnings as well as their total service credits since registration, based on the information reported by their employer in the quarterly returns.

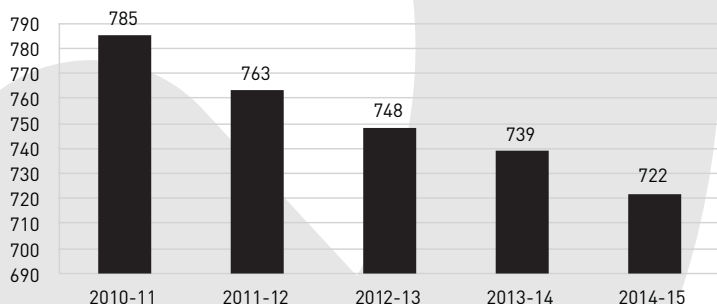
→ A newsletter was included with the statement providing instructions for reading the statement, general Scheme information, interpreter information and other relevant content.

## EMPLOYERS – ACHIEVEMENTS AND PERFORMANCE MEASURES

→ At 30 June 2015, 722 employers were registered with the Authority.

→ This indicates a continued and slight decrease in the number of registered employers but is generally consistent with the number of registered employers since scheme inception.

Employer Registrations 2010-2015

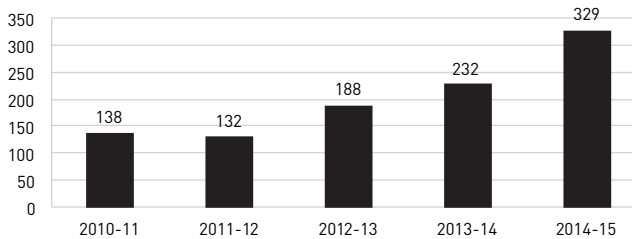


- Employers were given an opportunity to complete an online satisfaction survey. More than 90% of employers who completed the survey were very satisfied, or satisfied, with the quality of customer service provided by staff and the content of the quarterly newsletter. Feedback provided by employers is being used to improve services related to online lodgement facilities.
- Quarterly newsletters provided to employers focussed on the new online employer return facility and supporting the transition to online returns and electronic levy payment.
- The Authority supported the Building Service Contractors Association of Australia (BSCAA) at their Annual General Meeting, Excellence Awards and Employer Awareness Sessions in Mackay, Townsville and Cairns.

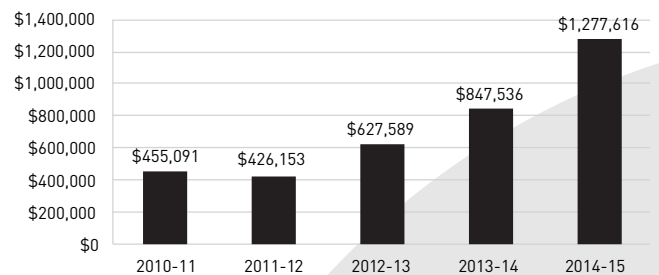
### Claims

- From 1 July 2014 to 30 June 2015, long service leave payments were made for 329 claims to the value of \$1,277,616 comprising:
  - 133 claims paid to registered employers, to the value of \$459,455 compared with 51 claims totalling \$186,104 at 30 June 2014,
  - 195 claims paid to registered workers, to the value of \$809,602 compared with 181 claims totalling \$661,432 at 30 June 2014 and
  - 1 interstate claim to the value of \$8,559.

Number of claims paid per year 2010-2015



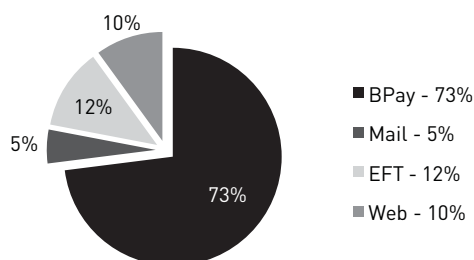
Value of claims paid per year 2010-2015



### Returns and levy collection

- Levy payments totalled \$5.3 million for the financial year, including \$42,000 paid in interest and penalties.
- An online employer return application was developed in early 2014-15. This was successfully implemented in December 2014, for the 1 October – 31 December 2014 return period.
- Over 90% of employers submitted their last three employer returns using the new online employer return application and paid their levy electronically.

Type of levy payments received 1 July 2014 to 30 June 2015



Levy collections by BPay have increased to 73% in 2014-15, from 71% in 2013-14. 95% of employers now pay the levy electronically using BPay, electronic funds transfer or via the website.



## Compliance

- During 2014-15, the majority of registered employers complied with their legislative requirements.
- Approximately 10% of employers incurred penalties for late lodgement or late levy payment. A total of \$41,822 was incurred by employers, made up of \$24,772 (78) in penalties and \$17,050 (three) for interest on unpaid levies.
- Compliance staff visited 56 registered employers for educational purposes to assist employers with completion of quarterly returns and general scheme awareness.
- The audit compliance program comprised 18 audits of employers with the following outcomes:
  - 72% of employers audited had no discrepancies
  - 28% of employers audited had under or over declared wages and were required to either pay additional levy or were refunded an overpayment.
- Legal services actioned 52 matters including requests for reconsideration, complaint and summons matters, debt recoveries, internal advice requests and statutory advice work.

## STRATEGIES FOR 2015-16

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Deliver quality client service and communications through:

- building and strengthening stakeholder relationships
- revitalised client services
- effective communication to stakeholders.

Manage compliance across levy income, long service leave payments, employer obligations and debt management.

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# Financial Management

Objective: Maintain financial accountability and sustainability of the Scheme.

## Investment performance

Investment returns play a significant part in ensuring the sustainability of the Scheme. This is necessary to cater for the increase in the long service leave liability and to maintain levy rates at the lowest possible level. As at 30 June 2015, the Scheme had \$51.2 million under fund management with the Queensland Investment Corporation. This represents an increase of \$5.8 million over the 30 June 2014 figure.

The Cash Enhanced Fund returned 2.92% net for the year (30 June 2015 balance was \$9.69 million) and the Growth Fund returned 5.76% net for the year (30 June 2015 balance was \$41.47 million).

	30 June balance \$
Cash at Bank	87,408
Queensland Investment Corporation	51,160,050
Total	51,247,458

## Budget performance

The operational budget is closely monitored on a monthly basis. The administration costs include \$769,000 paid to QLeave to administer the Contract Cleaning Industry Portable Long Service Leave Scheme on behalf of the Authority.

Income was 12.7% under budget due to lower than expected investment returns (26.7%) and levy income (4.1%). Supplies, services and employee expenditure was slightly less than the budget estimate by 3.1%.

	Actual (\$000s)	Variance to Budget (\$000s)
Levies income	5,297	(230)
Investment income	2,496	(907)
Supplies, services and employee expenses	1,182	(38)
Long service leave payments	1,278	278

The total provision for the Scheme's accrued long service leave entitlements at 30 June 2015, as determined by the actuary, was \$18.3 million which is an increase of \$1.8 million (11%) from the previous year.

The 2014-15 financial year saw the Authority make an operating surplus of \$3,537,000.

## Actuarial Assessment

To determine the appropriate quantum of the levy and to ensure the Authority will be able to meet its short and long-term commitments in funding the Scheme, a full actuarial assessment is performed every two years. This verifies the Scheme's financial viability, including the appropriateness of the levy rate.

Additionally, it predicts as accurately as possible, whether investment strategies will continue to maintain sufficient monetary reserves to meet future commitments for long service leave payments.

A full actuarial assessment was undertaken in 2013-14 based upon 30 June 2013 scheme data. The actuary found the Scheme was in a very sound financial position. The next full assessment will be undertaken in 2015-16 based upon 30 June 2015 scheme data.

## STRATEGIES FOR 2015-16

Maintain financial accountability and sustainability of the Scheme through:

- prudent investment and financial management
- proactive financial and budget management practices.

# Corporate Governance and Risk Management

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

Under the provisions of the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005* ('the Act'), the Contract Cleaning Industry (Portable Long Service Leave) Authority ('the Authority') is governed by a board of directors ('the Board').

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

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

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

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

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

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

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

## Composition of the Board

The Board consists of not more than 8 directors who are appointed by the Governor-in-Council for terms of not more than 3 years. It is comprised of the following directors:

- a) a person appointed as the chairperson; and
- b) a person appointed as the deputy chairperson; and
- c) 2 or 3 directors appointed as representatives of employers; and
- d) 2 or 3 directors appointed as representatives of workers.

The deputy chairperson must be a person with knowledge of, and experience in, commerce, economics, finance or management.

The number of directors appointed as representatives of employers and representatives of workers must be equal.



The current term of the Board commenced on 1 July 2014 and expires on 30 June 2017. Directors are eligible for reappointment on completion of their terms.

The Board comprises the following directors:

Chairperson: Martin Dowling  
Deputy Chairperson: Damian Wright  
Employer Representatives: Ken Holder (BSCAA)  
Kim Puxty (BSCAA)  
Worker Representatives: Jane Cartwright (United Voice)  
Damien Davie (United Voice)

### Remuneration

The Board falls within Remuneration Level 3 of Category Regulation, administration and advice under the Queensland Government's *Remuneration of Part-time Chairs and Members of Government Boards, Committees and Statutory Authorities*.

### Board meetings

The board met on five occasions during 2014-15, in August and November 2014, February, May and June 2015.

### Directors' attendance at meetings 2014-15

Director	Meetings attended
Number of meetings held	5
Martin Dowling	5
Damian Wright	5
Ken Holder	4
Kim Puxty	4
Jane Cartwright	4
Damien Davie	4

### The Board and QLeave's Management

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

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

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

## Issues for the Board

The Board identified the following issues as being of a primary focus for the year:

- promoting use of online service delivery technologies and increased use of electronic communication
- effective compliance strategies
- marketing, in particular in regional areas and better information about the nature of the Scheme (ie, a 'pooled' fund rather than individual member accounts)
- monitoring of "phoenix" employers to ensure compliance.

## 2014-15 Board Performance Assessment

Pursuant to the principles of good governance, the Board undertakes a self assessment process both as a whole and as individual directors. This process gives the Board an opportunity to remind directors of their duties and responsibilities as directors of a government board, identify the strengths and weaknesses of board operations, review and measure the Authority's progress towards its goals and mission, and open channels of communication.

Giving board members the opportunity to 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 the Board, the Authority, and the greater community served by the Authority.

The self evaluation process is valuable in assessing the Authority's governance standards, assessing the board's overall teamwork and communication abilities and highlights areas where each individual director and the Board as a whole can improve.

This is the first year of the Board's new term of appointment with a new Chair and new Deputy Chair, and accordingly, an additional focus was placed upon evaluating the Board's performance. The evaluation revealed that directors adopt a collegiate approach to the Board, where the best interests of the Scheme and its members are central to all decisions and strategic focus. Directors have committed themselves to a continuous program of professional development, resulting in better service to the Board and the Scheme.

## Board strategies for 2015-16

- **Industry Stakeholders**, with a particular focus on strengthening relationships with industry partners, addressing specific needs of emerging industry sectors and regions, delivering revitalised client services, and improving knowledge of the industry workforce composition.
- **Scheme Viability**, including undertaking the full actuarial assessment of the Scheme's financial position; annual review of the Scheme's investment strategy and objectives; and monitoring wages growth throughout the year.
- **Strategic Direction**, including ongoing co-operation with interstate long service leave schemes; a greater emphasis on the use of online services towards achieving the Authority's goal of 100% of online transactions by 2017.
- **Corporate Governance and Risk Management**, including monitoring of targeted compliance activities and debt management; maintaining quality certification; reviewing the *Contract Cleaning Industry (Portable Long Service Leave) Regulation 2005*, and maintaining a best practice environment for the Board's corporate governance activities.
- **Effective Planning, Information and Control Systems**, including targeting continual improvements to QLeave business systems to deliver efficiency in service provision.



## 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 the Authority's operational activities included:

- Continuous Controls Monitoring
- Operating Revenue
- Statutory Registers and Claims
- 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 the compliance framework and specific compliance issues, assessments of internal controls and associated risks with the Authority's 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.

## Information systems and recordkeeping

QLeave administers the Contract Cleaning Industry Portable Long Service Leave Scheme on behalf of the Authority under a cost sharing agreement. Under this agreement, the Authority utilises QLeave's information and recordkeeping systems, including TRIM for electronic document and records management.

The Authority relies on QLeave for its commitment to quality recordkeeping practices in order to achieve compliance with the *Public Records Act 2002*, Information Standard 40: Recordkeeping and Information Standard 31: Retention and Disposal of Public Records.

For information on recordkeeping and information system activities undertaken by QLeave in 2014-15 refer to the Annual Report for the Building and Construction Industry (Portable Long Service Leave) Authority available at [www.qleave.qld.gov.au](http://www.qleave.qld.gov.au) - Building and Construction Industry link.

## STRATEGIES FOR 2015-16

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Corporate governance and risk management frameworks through:

- maintaining sound governance arrangements for accountability, managing risk and compliance with relevant legislation and policies.
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# The Board

## → **MARTIN DOWLING, CHAIR**

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Martin was appointed to the Board as Chairperson in 2014. Martin holds a Bachelor of Commerce and MBA, and is a Fellow of CPA Australia and a Graduate of the Australian Institute of Company Directors.

Martin has 18 years' experience in Finance across a wide range of industries, including mining, mining services, defence, engineering, green energy, distribution, and manufacturing.

Martin is the Financial Controller of Hastings Deering, a Board member and Treasurer for Safe Streets, and Board member and Finance Committee member of ANZUP Cancer Trials Group Limited.

## → **DAMIAN WRIGHT, DEPUTY CHAIR**

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Damian was appointed to the Board as Deputy Chairperson in 2014. He is a partner and director of BDO (Qld) Pty Ltd. Damian is a Chartered Accountant and Registered Company Auditor.

He holds a Bachelor of Commerce and Graduate Diploma (Applied Finance & Investment).

Damian has over 25 years' experience in Chartered Accounting and Audit specifically, across a wide range of industries. He has worked as a Chartered accountant in Australia, the United Kingdom and the United States of America.

Damian has conducted a range of audits on behalf of the Auditor General as well as a large number of Audits for Public and Private Companies. He has acted as a probity advisor on a number of large procurement projects over the past 20 years. He is an Associate of the Institute of Chartered Accountants Australia, Graduate Member of the Australian Institute of Company Directors, Member of the Securities Institute Australia and is a Director of the Lives Lived Well (formerly the Alcohol and Drug Foundation Qld).

## → **KEN HOLDER, EMPLOYER REPRESENTATIVE**

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Ken was appointed to the Board in 2014. He holds a MBA, and BA and MA (Hons) in Social Sciences.

He is the CEO and a Director of Pickwick Group Pty Ltd. Ken has over 30 years' experience in business in a diverse range of areas such as contract cleaning, commercial projects, facility services, logistics, building, industrial and manufacturing products and forestry. He has spent the past 20 years in senior management roles with four international public companies. Ken is a Justice of the Peace (Qualified) and a Graduate of the Australian Institute of Company Directors.

## → **KIM PUXTY, EMPLOYER REPRESENTATIVE**

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Kim was appointed to the Board in 2011. Kim is the Manager of Caldcare Pty Ltd, and has been an Executive Committee Member of the Building Service Contractors Association of Australia (Queensland Division) (BSCAA) since 2010 and currently holds the role of President of BSCAA Qld.

She has over 17 years' experience in the contract cleaning industry within the administration and operations area. Her administration experience within the commercial cleaning industry includes areas such as Human Resources, Payroll, Accounts, Quality Assurance and Managing of client profiles. She has managed client accounts for large associations and government entities. Kim holds a Diploma of Business and has qualifications in Occupational Health & Safety Risk Management, internal auditing, quality auditing and management systems.



→ **JANE CARTWRIGHT, EMPLOYER REPRESENTATIVE**

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Jane was appointed to the Board upon its inception in 2005. Jane is a union official with United Voice Union. She has been an organiser with United Voice for the past 12 years representing contract cleaners, security guards, catering workers, paint workers, childcare workers and car park workers in Queensland and offshore immigration and detention workers on Manus Island and Nauru.

Within Jane's various roles within United Voice, she has been involved in the negotiation of industrial instruments with key contracting industry stakeholders, including employer associations and major contractors. She was instrumental in developing and implementing the initial phases of the successful CleanStart campaign coordinated by the national division of United Voice, which aimed at ensuring safe and equitable working conditions for contract cleaning workers in Queensland.

Jane is a Justice of the Peace (Qualified) and is involved in various community projects including fundraising for various not-for-profit animal organisations and volunteering in Aged Care facilities.

→ **DAMIEN DAVIE, WORKER REPRESENTATIVE**

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Damien was appointed to the Board in 2010. He is the Property Services Coordinator for United Voice Union, and has been with the union since 2004.

Damien's role as Coordinator of Property Services Division of United Voice Union covers all contract cleaners in Queensland, as well as the industries of contract security and contract catering. Additionally, Damien is a member of the union's national Strategic Steering Group which develops policies for wages and conditions, deals with issues affecting contract cleaners and develops national standards for wages.

Damien travels extensively throughout the State to liaise with both contract cleaning workers and employer companies to promote the best interests of workers in the industry, resolve workplace issues affecting contract cleaning industry workers and negotiate fair and equitable working conditions for contract cleaning industry workers.



# Financial Statements 2014-2015

- 14** STATEMENT OF COMPREHENSIVE INCOME
- 15** STATEMENT OF FINANCIAL POSITION
- 16** STATEMENT OF CHANGES IN EQUITY
- 17** STATEMENT OF CASH FLOWS
- 18** NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
- 32** CERTIFICATE OF THE CONTRACT CLEANING INDUSTRY  
(PORTABLE LONG SERVICE LEAVE) AUTHORITY
- 33** INDEPENDENT AUDITOR'S REPORT



**CONTRACT CLEANING INDUSTRY  
(PORTABLE LONG SERVICE LEAVE) AUTHORITY**  
Statement of Comprehensive Income  
for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>Income from Continuing Operations</b>			
Portable long service leave levies		5,297	5,697
Other Revenue		4	1
Income from investments	2	1,285	1,405
Interest		4	2
Net gain/(loss) on financial assets at fair value	3	1,206	2,961
<b>Total Income from Continuing Operations</b>		<b>7,796</b>	<b>10,066</b>
<b>Expenses from Continuing Operations</b>			
Employee expenses		8	4
Supplies and services	5	1,173	1,112
Portable long service leave scheme benefits	11	3,078	3,348
<b>Total Expenses from Continuing Operations</b>		<b>4,259</b>	<b>4,464</b>
<b>Operating Result from Continuing Operations</b>		<b>3,537</b>	<b>5,602</b>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income</b>		<b>3,537</b>	<b>5,602</b>

*The accompanying notes form part of these statements.*

**CONTRACT CLEANING INDUSTRY  
(PORTABLE LONG SERVICE LEAVE) AUTHORITY**  
Statement of Financial Position  
as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	6	87	54
Receivables	7	2,109	2,591
Financial assets at fair value through profit or loss	8	51,160	45,399
Other	9	2	6
<b>Total Current Assets</b>		<b>53,358</b>	<b>48,050</b>
<b>Total Assets</b>		<b>53,358</b>	<b>48,050</b>
<b>Current Liabilities</b>			
Payables	10	278	307
Provision for scheme benefits	11	10,600	9,000
<b>Total Current Liabilities</b>		<b>10,878</b>	<b>9,307</b>
<b>Non-Current Liabilities</b>			
Provision for scheme benefits	11	7,700	7,500
<b>Total Non-Current Liabilities</b>		<b>7,700</b>	<b>7,500</b>
<b>Total Liabilities</b>		<b>18,578</b>	<b>16,807</b>
<b>Net Assets</b>		<b>34,780</b>	<b>31,243</b>
<b>Equity</b>			
Accumulated surplus	14	34,780	31,243
<b>Total Equity</b>		<b>34,780</b>	<b>31,243</b>

*The accompanying notes form part of these statements.*



**CONTRACT CLEANING INDUSTRY  
(PORTABLE LONG SERVICE LEAVE) AUTHORITY**  
Statement of Changes in Equity  
for the year ended 30 June 2015

	Accumulated Surplus/Deficit \$'000	TOTAL \$'000
<b>Balance as at 1 July 2013</b>	25,641	25,641
Operating result from continuing operations	5,602	5,602
Other Comprehensive Income	-	-
<i>Total Comprehensive Income for the Year</i>	-	-
<b>Balance as at 30 June 2014</b>	<b>31,243</b>	<b>31,243</b>
<b>Balance as at 1 July 2014</b>	31,243	31,243
Operating result from continuing operations	3,537	3,537
Other Comprehensive Income	-	-
<i>Total Comprehensive Income for the Year</i>	-	-
<b>Balance as at 30 June 2015</b>	<b>34,780</b>	<b>34,780</b>

*The accompanying notes form part of these statements.*

**CONTRACT CLEANING INDUSTRY  
(PORTABLE LONG SERVICE LEAVE) AUTHORITY**  
Statement of Cash Flows  
for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Interest		4	3
Portable long service leave levies		5,533	5,541
Proceeds from investments		475	70
Other Revenue		49	-
GST input tax credits from ATO		83	99
<i>Outflows:</i>			
Employee expenses		(8)	(4)
Supplies and services		(1,006)	(967)
Portable long service leave paid		(1,320)	(803)
Payments for investments		(3,680)	(3,800)
GST paid to suppliers		(97)	(112)
<b>Net cash provided by operating activities</b>	12	<b>33</b>	<b>27</b>
Net increase in cash and cash equivalents		33	27
Cash and cash equivalents at beginning of financial year		54	27
<b>Cash and cash equivalents at end of financial year</b>	6	<b>87</b>	<b>54</b>

*The accompanying notes form part of these statements.*



**CONTRACT CLEANING INDUSTRY  
(PORTABLE LONG SERVICE LEAVE) AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15**

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	Objectives and Principle Activities of the Authority
Note 1:	Summary of Significant Accounting Policies
Note 2:	Income from Investments
Note 3:	Net Gain/(Loss) on Financial Assets at Fair Value
Note 4:	Key Management Personnel and Remuneration Expenses
Note 5:	Supplies and Services
Note 6:	Cash and Cash Equivalents
Note 7:	Receivables
Note 8:	Financial Assets at Fair Value through Profit or Loss
Note 9:	Other Current Assets
Note 10:	Payables
Note 11:	Provision for Scheme Benefits
Note 12:	Reconciliation of Operating Surplus to Net Cash from Operating Activities
Note 13:	Contingencies
Note 14:	Equity
Note 15:	Events Occurring after Balance Date
Note 16:	Financial Instruments
Note 17:	General Information

### Objectives and Principle Activities of the Authority

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

The Authority is funded by a levy imposed on worker wages, currently 1.7%, and the income earned on the investment of these funds.

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 *Contract Cleaning Industry (Portable Long Service Leave) Act 2005*. 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 2005. 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 end of a return quarter. Settlement of these amounts is required within 14 days from the end of the quarter.

The collectability of receivables is assessed periodically with 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 16.

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

#### (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 applicable to the last quarter, April to June 2015, has been estimated and accrued, based on levies received year to date and specifically for the third quarter return period, January to March 2015.

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

#### (f) 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.



**(f) Fair Value Measurement (con't)**

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 of 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.

**(g) 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.

**(h) Financial Instruments**

*Recognition*

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

*Classification*

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - held at fair value through profit 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 16.

**(i) Employee Benefits**

The Authority does not employ staff. The General Manager of the Contract Cleaning Industry Authority is the person appointed as the General Manager of the Building and Construction Industry Authority and manages the business of the Contract Cleaning Industry Authority. The staff of the Building and Construction Industry Authority provide the Contract Cleaning Industry Authority with the administrative support services that it requires to carry out its functions. Costs shown in the Statement of Comprehensive Income under employee expenses represent committee attendance fees for board members.

**(j) Portable Long Service Leave Scheme Benefits**

The long service leave liability of the scheme was determined via actuarial assessment as required by the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005*. The liability has been recorded both as a current liability and as a non-current liability and in accordance with AASB 101 *Presentation of Financial Statements* 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 7.5% per annum. Refer Note 11.

**(k) Insurance**

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



**(l) Taxation**

The activities of the Authority are exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). GST credits receivable from, and GST payable to the ATO, are recognised. The collection of levies is not subject to GST. Refer Note 7.

**(m) Issuance of Financial Statements**

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

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

An independent actuarial assessment was completed in April 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 and wage rates.

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 11.

**(o) 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.

**(p) 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 that had any significant impact on the Authority's financial statements.

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. 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 retrospective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commencement 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 4) 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.



**(p) New and Revised Accounting Standards (cont'd)**

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 the 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.

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 don't 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
<b>2. Income from Investments</b>		
Queensland Investment Corporation Cash Enhanced Fund		
Distribution	321	311
Queensland Investment Corporation Growth Fund		
Distribution	964	1,094
<b>Total</b>	<b>1,285</b>	<b>1,405</b>
<b>3. Net Gain/(Loss) on Financial Assets at Fair Value</b>		
<i>Queensland Investment Corporation Cash Enhanced Fund</i>		
Earnings	283	321
Less Distributions	(321)	(311)
<b>Fair Value Movement</b>	<b>(38)</b>	<b>10</b>
<i>Queensland Investment Corporation Growth Fund</i>		
Earnings	2,208	4,045
Less Distributions	(964)	(1,094)
<b>Fair Value Movement</b>	<b>1,244</b>	<b>2,951</b>
<b>Total Fair Value Movement</b>	<b>1,206</b>	<b>2,961</b>
<b>Movement in Financial Assets</b>		
<i>Queensland Investment Corporation Cash Enhanced Fund</i>		
Opening Balance 1 July	9,967	10,043
Plus		
Earnings	283	321
Less		
Distributions	(321)	(311)
Redemptions	(241)	(86)
<b>Closing Balance 30 June</b>	<b>9,688</b>	<b>9,967</b>
<i>Queensland Investment Corporation Growth Fund</i>		
Opening Balance 1 July	35,432	27,425
Plus		
Earnings	2,208	4,045
Contributions	3,530	3,800
Distributions reinvested	1,509	1,374
Less		
Distributions	(964)	(1,094)
Redemptions	(243)	(118)
<b>Closing Balance 30 June</b>	<b>41,472</b>	<b>35,432</b>
<b>Total Closing Balance 30 June</b>	<b>51,160</b>	<b>45,399</b>

#### 4. 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)
Board Members	Commercial policy and management	Board Director Minister	1 July 2014



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

(a) Key Management Personnel (cont'd)

The following persons held the position of Director during the year ended 30 June 2015.

Mr Martin Dowling	Chair
Mr Damian Wright	Deputy Chair
Mr Ken Holder	Employer Representative (BSCAA)
Ms Kim Puxty	Employer Representative (BSCAA)
Ms Jane Cartwright	Worker Representative (UVU)
Mr Damien Davie	Worker Representative (UVU)

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 transaction 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 *Contract Cleaning Industry (Portable Long Service Leave) Act 2005* in respect of payment of levies for their own business undertakings in cleaning work. The levying of these charges is on the same terms and conditions as those entered into by other liable parties.

(b) Remuneration Expenses

1 July 2014 - 30 June 2015

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits				
	\$	\$	\$	\$	\$	\$
Mr Martin Dowling	1,950	-	-	-	-	1,950
Mr Damian Wright	1,200	-	-	-	-	1,200
Mr Ken Holder	1,200	-	-	-	-	1,200
Ms Kim Puxty	1,200	-	-	-	-	1,200
Ms Jane Cartwright	1,200	-	-	-	-	1,200
Mr Damien Davie	1,200	-	-	-	-	1,200
<b>Total Remuneration</b>	<b>7,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,950</b>

1 July 2013 - 30 June 2014

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits				
	\$	\$	\$	\$	\$	\$
Ms Judy Bertram	974	-	-	-	-	974
Mr Paul Byrne	705	-	-	-	-	705
Mr Peter Nipper	-	-	-	-	-	-
Mr Ken Holder	282	-	-	-	-	282
Ms Kim Puxty	705	-	-	-	-	705
Ms Jane Cartwright	705	-	-	-	-	705
Mr Damien Davie	564	-	-	-	-	564
<b>Total Remuneration</b>	<b>3,935</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,935</b>

All directors excluding Ms J Cartwright and Mr D Davie were paid for committee attendance. Committee attendance fees for Ms J Cartwright and Mr D Davie were made to the United Voice Union.

	2015 \$'000	2014 \$'000
<b>5. Supplies and Services</b>		
Advertising/Promotions	12	9
Agency fees - QLeave	769	802
Auditor's remuneration	10	10
Consultancy charges (including Actuarial fees)	22	13
Legal Expenses	4	6
Contractor charges	111	32
Funds manager and trustee charges	152	127
General administration	6	6
Insurance Premiums - QGIF	2	2
Travel costs	7	7
Printing & photocopying	10	12
Postage & freight	12	15
Professional Development	6	2
Impairment Losses	50	69
<b>Total</b>	<b>1,173</b>	<b>1,112</b>

\* Total audit fees paid to the Queensland Audit Office contracted auditors relating to the 2014-15 financial statements are estimated to be \$10,500 (2014: \$10,100). There are no non-audit services included in this amount.

**6. Cash and Cash Equivalents**

Cash at bank	87	54
<b>Total</b>	<b>87</b>	<b>54</b>

Interest earned on cash held with the Commonwealth Bank was 2.50% in 2014 (2014: 2.45%).

**7. Receivables**

Trade Debtors	50	181
Accrued Revenue *	2,110	2,455
GST input tax credits receivable	24	45
Less: Allowance for impairment loss	(75)	(90)
<b>Total</b>	<b>2,109</b>	<b>2,591</b>

\* Comprises Queensland Investment Corporation 4th quarter distribution of \$82,000 and \$728,000 for the Cash Enhanced Fund and Growth Fund respectively and levy revenue for the 4th quarter of \$1.3 million.

Refer to Note 16 (c) Financial Instruments (Credit Risk Exposure) for an analysis of movements in the allowance for impairment loss.

**8. Financial Assets at Fair Value through Profit or Loss**

Queensland Investment Corporation - Cash Enhanced Fund (at market value)	9,688	9,967
Queensland Investment Corporation - Growth Fund (at market value)	41,472	35,432
<b>Total</b>	<b>51,160</b>	<b>45,399</b>

**9. Other Current Assets**

Prepayments	2	6
<b>Total</b>	<b>2</b>	<b>6</b>

**10. Payables**

Trade Creditors	245	236
Accrued Charges	33	71
<b>Total</b>	<b>278</b>	<b>307</b>



CONTRACT CLEANING INDUSTRY  
(PORTABLE LONG SERVICE LEAVE) AUTHORITY  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

	2015 \$'000	2014 \$'000
<b>11. Provision for Scheme Benefits</b>		
<b>Current</b>		
Provision for long service leave - expected to be settled within 12 months (measured at present value)	1,200	1,000
Provision for long service leave - expected to be settled after 12 months (measured at present value)	9,400	8,000
<b>Total *</b>	<u>10,600</u>	<u>9,000</u>
<b>Non-Current</b>		
Provision for long service leave (measured at present value)	7,700	7,500
<b>Total</b>	<u>7,700</u>	<u>7,500</u>
<b>Movements in Provisions</b>		
Balance as at 1 July	16,500	14,000
Additional provision recognised	3,078	3,348
Reductions in provisions as a result of payments	(1,278)	(848)
<b>Balance as at 30 June</b>	<u>18,300</u>	<u>16,500</u>

\* The total current provision of \$10.6 million (2014: \$9 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 \$1.2 million over the next twelve months.

Scheme eligible members as at 30 June were: 45,383 54,565

The above figures are actuarially assessed. The latest actuarial assessment of the scheme's liabilities by DeeDeeRa dated 15 April 2015 was prepared based on a number of assumptions.

The major actuarial assumptions used were:

- long term investment return of 7.5% per annum net of management costs (2014: 7.5% per annum);
- a rate of wage increase of 3% per annum (2014: 3% per annum);
- a prescribed award wage rate of \$708.20 from 1 July 2014;
- discount rate of 7.5% applied to payment of Scheme liabilities; and
- active workers at any time of 12,000.

**12. Reconciliation of Operating Surplus to Net Cash from Operating Activities**

Operating surplus	3,537	5,602
Changes in Assets and Liabilities:		
Increase (decrease) in PLSL Scheme Benefits Provision	1,800	2,500
(Increase) decrease in Financial Assets	(5,761)	(7,931)
(Increase) decrease in Receivables	482	(209)
(Increase) decrease in Prepayments	4	(6)
Increase (decrease) in Payables	(29)	71
<b>Net cash from operating activities</b>	<u>33</u>	<u>27</u>

**13. Contingencies**

As at 30 June 2015, there were no contingent assets or contingent liabilities.

**14. Equity**

**Accumulated Surplus**

Opening balance	31,243	25,641
Net surplus	3,537	5,602
<b>Closing balance</b>	<u>34,780</u>	<u>31,243</u>

**15. Events occurring after Balance Date**

There have been no events occurring after balance date.

## 16. 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
<b>Financial Assets</b>			
Cash and cash equivalents	6	87	54
Receivables	7	2,109	2,591
Financial assets at fair value through profit or loss:			
QIC - Cash Enhanced	8	9,688	9,967
QIC - Growth Fund	8	41,472	35,432
<b>Total</b>		<b>53,356</b>	<b>48,044</b>
<b>Financial Liabilities</b>			
Financial liabilities measured at amortised cost:			
Payables	10	278	307
<b>Total</b>		<b>278</b>	<b>307</b>

### (b) Financial Risk Management

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

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

Maximum Exposure to Credit Risk			
Category	Note	2015 \$'000	2014 \$'000
<b>Financial Assets</b>			
Cash and cash equivalents	6	87	54
Receivables	7	2,109	2,591
		<b>2,196</b>	<b>2,645</b>

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.



16. Financial Instruments (cont'd)

(c) Credit Risk Exposure (cont'd)

Amounts written off for the current year regarding the Authority's receivables is \$65,000. This was a decrease of \$4,200 from 2014 and is largely represented by seven employers going into liquidation with no prospect of recovering the outstanding levy. The provision amount was reduced from \$90,000 to \$75,000. This level is considered appropriate given past impairment and current assessment of debtors.

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

Application of the charging of interest is discretionary and on this basis receivables are not considered an interest bearing financial asset. Interest and penalty charges totalled \$41,800 in 2015 (2014: \$27,800). Penalties waived totalled \$6,000 in 2015 (2014: \$3,190).

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	17	-	1	7	25
<b>Total</b>	<b>17</b>	<b>-</b>	<b>1</b>	<b>7</b>	<b>25</b>

2014 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	47	1	70	3	121
<b>Total</b>	<b>47</b>	<b>1</b>	<b>70</b>	<b>3</b>	<b>121</b>

2015 Individually Impaired Financial Assets

	Overdue				Total \$'000
	Less than 30 Days \$'000	30-60 Days \$'000	61-90 Days \$'000	More than 90 Days \$'000	
Financial Assets					
Receivables (gross)	58*	1	9	7	75
Allowance for impairment	(58)	(1)	(9)	(7)	(75)
<b>Carrying Amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

2014 Individually Impaired Financial Assets

	Overdue				Total \$'000
	Less than 30 Days \$'000	30-60 Days \$'000	61-90 Days \$'000	More than 90 Days \$'000	
Financial Assets					
Receivables (gross)	77**	-	-	13	90
Allowance for impairment	(77)	-	-	(13)	(90)
<b>Carrying Amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*The \$58 consists of debtors of \$7 and accrued receivables of \$51 for which collection is doubtful.

\*\*The \$77 consists of accrued receivables for which collection is doubtful.

Movement in the allowance for impairment

	2015 \$'000	2014 \$'000
Balance at 1 July	90	90
Amounts written off during the year	(65)	(69)
Increase/(decrease) in allowance recognised in the operating result	50	69
<b>Balance at 30 June</b>	<b>75</b>	<b>90</b>



16. Financial Instruments (cont'd)

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

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

	Note	2015 Payable in			Total
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	\$'000
<b>Financial Liabilities</b>					
Payables	10	278	-	-	278
<b>Total</b>		<b>278</b>	<b>-</b>	<b>-</b>	<b>307</b>

	Note	2014 Payable in			Total
		<1 year \$'000	1-5 years \$'000	>5 years \$'000	\$'000
<b>Financial Liabilities</b>					
Payables	10	307	-	-	307
<b>Total</b>		<b>307</b>	<b>-</b>	<b>-</b>	<b>307</b>

(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 current world economic and market climate. With all other variables held constant, the Authority would have a surplus/(deficit) and equity increase/(decrease) of \$1,535,000 (2014: \$1,362,000). This is attributable to the Authority's exposure to investment returns held with QIC's Cash Enhanced and Growth Funds.

Financial Instruments	Carrying Amount \$'000	2015 Market rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
QIC - Cash Enhanced Fund	9,668	(291)	(291)	291	291
QIC - Growth Fund	41,472	(1,244)	(1,244)	1,244	1,244
<b>Potential Impact</b>		<b>(1,535)</b>	<b>(1,535)</b>	<b>1,535</b>	<b>1,535</b>

Financial Instruments	Carrying Amount \$'000	2014 Market rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
QIC - Cash Enhanced Fund	9,967	(299)	(299)	299	299
QIC - Growth Fund	35,432	(1,063)	(1,063)	1,063	1,063
<b>Potential Impact</b>		<b>(1,362)</b>	<b>(1,362)</b>	<b>1,362</b>	<b>1,362</b>



16. Financial Instruments (cont'd)

(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 \$1,000 (2014: \$1,000).

Financial Instruments	Carrying Amount	2015 Interest rate risk			
		- Sensitivity		+ Sensitivity	
		Profit	Equity	Profit	Equity
Cash and cash equivalents	87	(1)	(1)	(1)	(1)
<b>Potential Impact</b>		(1)	(1)	(1)	(1)

Financial Instruments	Carrying Amount	2014 Interest rate risk			
		- Sensitivity		+ Sensitivity	
		Profit	Equity	Profit	Equity
Cash and cash equivalents	54	(1)	(1)	(1)	(1)
<b>Potential Impact</b>		(1)	(1)	(1)	(1)

(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:

2015 Recognised Fair Value Assets/Liabilities

Class	Classification according to fair value hierarchy			Total Carrying Amount
	Level 1	Level 2	Level 3	2015
	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>				
Cash and cash equivalents	87	-	-	87
Investments QIC Cash Enhanced	-	9,688	-	9,688
Investments QIC Growth Fund	-	41,472	-	41,472
<b>Total</b>	<b>87</b>	<b>51,160</b>	<b>-</b>	<b>51,247</b>

2014 Recognised Fair Value Assets/Liabilities

Class	Classification according to fair value hierarchy			Total Carrying Amount
	Level 1	Level 2	Level 3	2014
	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>				
Cash and cash equivalents	54	-	-	54
Investments QIC Cash Enhanced	-	9,967	-	9,967
Investments QIC Growth Fund	-	35,432	-	35,432
<b>Total</b>	<b>54</b>	<b>45,399</b>	<b>-</b>	<b>45,453</b>

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.

**17. 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 [cci@qleave.qld.gov.au](mailto:cci@qleave.qld.gov.au) or visit the Authority's Internet site [www.qleave.qld.gov.au](http://www.qleave.qld.gov.au).

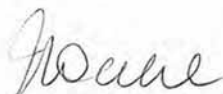


## CERTIFICATE OF THE CONTRACT CLEANING INDUSTRY (PORTABLE LONG SERVICE LEAVE) AUTHORITY

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 Contract Cleaning 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



20 August 2015

M Dowling  
Chair



20 August 2015

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Report

I have audited the accompanying financial report of Contract Cleaning Industry (Portable Long Service Leave) Authority, which comprises the statement of financial position as at 30 June 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 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 Contract Cleaning Industry (Portable Long Service Leave) Authority for the financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year; and

### **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

### AUSTRALIAN CAPITAL TERRITORY

#### ACT Long Service Leave Authority

71 Constitution Avenue

Campbell ACT 2612

Telephone: (02) 6247 3900

Facsimile: (02) 6257 5058

Email: [cleaning@actleave.act.gov.au](mailto:cleaning@actleave.act.gov.au)

[www.actleave.act.gov.au](http://www.actleave.act.gov.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](mailto:info@longservice.nsw.gov.au)

[www.longservice.nsw.gov.au](http://www.longservice.nsw.gov.au)

### PUBLIC AVAILABILITY

This annual report can be viewed online at [www.qleave.qld.gov.au](http://www.qleave.qld.gov.au) > Contract Cleaning 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](mailto: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](http://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.



## Contract Cleaning Industry (Portable Long Service Leave) Authority

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543 Lutwyche Road  
Lutwyche Queensland 4030  
PO Box 512, Lutwyche Queensland 4030

**Phone** 07 3212 6811  
**Fax** 07 3212 6844  
**Email** [cci@qleave.qld.gov.au](mailto:cci@qleave.qld.gov.au)  
**Web** [www.qleave.qld.gov.au](http://www.qleave.qld.gov.au)

**HELP LINES**  
**Workers and Employers**  
1800 675 819