

A large, stylized number '2' is positioned on the left side of the page. It is composed of several overlapping, curved, grey bands that form the shape of the digit. The bands are layered, creating a sense of depth and movement. The number is set against a white background that transitions into a dark grey curved shape on the right.

15/16 annual report

Contract Cleaning Industry
(Portable Long Service Leave) Authority

www.qleave.qld.gov.au

➔ **OUR MISSION** – 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 2015-2016 at www.qleave.qld.gov.au

LETTER OF COMPLIANCE

12 September 2016

The Honourable Grace Grace MP
Minister for Employment and Industrial Relations,
Minister for Racing and Minister for Multicultural Affairs
GPO Box 611
Brisbane Qld 4001

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2015-16 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.qlleave.qld.gov.au

Yours sincerely



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



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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. An actuarial assessment 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.

Since scheme inception on 1 July 2005, there have been 1,500 long service leave payments made to registered workers and employers, totalling over \$4.5 million.

Our focus on the provision of all services available online drives continuous business improvement and enhancement of facilities and communications. The successful development and launch of an online employer return has been well received and utilised, with over 93% of employers using the online return facility and 97% of employers paying their levy electronically.

From 1 July 2015 until 7 December 2015, the Board reported to the Honourable Curtis Pitt MP, Treasurer, Minister for Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships via Queensland Treasury. From 8 December 2015, the Board has reported to the Honourable Grace Grace MP, Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs.

We would like to express our appreciation to our Ministers 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

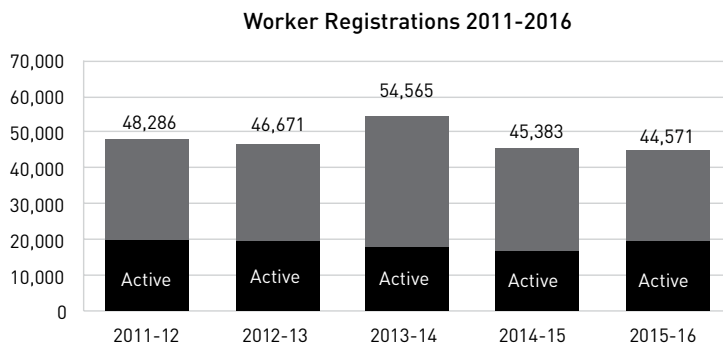
CRITICAL AREAS AND GOALS	OBJECTIVES	INDICATORS	ACHIEVED
Clients/Stakeholders → Workers → Employers → Alliance Partners → Government	Deliver quality client service and communications	→ Activities undertaken and issues addressed in consultation with industry → Strategies implemented for emerging sectors and regions and workforce composition → 100% customer service standards met → 85% client and stakeholder satisfaction → Client feedback used to improve service delivery → 100% online transactions by 2017-18	✓
Financial Management	Maintain financial accountability and sustainability of the Portable Long Service Leave Scheme	→ Investment strategy reviewed to achieve optimal returns with reduced volatility → 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 frameworks 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 and productivity returns realised.	✓

CLIENTS / STAKEHOLDERS

-
- Objectives:**
- Deliver quality client service and communications
 - Manage compliance across levy income, long service leave payments, employer obligations and debt management.
-

WORKERS – ACHIEVEMENTS AND PERFORMANCE MEASURES

- As at 30 June 2016, there were 44,571 workers registered with the Authority.
- Of these, 19,345 were active workers, compared with 17,110 at 30 June 2015. Active workers are workers who have recorded service in one of the previous four quarters.
- Under the Four Year Rule, 7,641 workers, who had not recorded service in the last four consecutive years, had their registrations cancelled during 2015-16.



- Long service leave statements were made available to workers in mid-August 2015. 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 2016, 704 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.

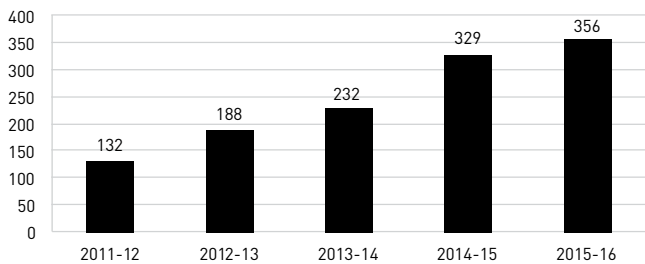


- Employers were given an opportunity to complete an online satisfaction survey in April and May 2016. Over 85% of employers who completed the survey were very satisfied, or satisfied, with the quality of customer service provided by staff, the content of the quarterly newsletter and the instructions provided to complete the employer return. Feedback provided by employers is being used to improve services related to usability of online lodgement facilities, including the time taken to complete the return.
- Quarterly newsletters were provided to employers focussed on the online employer return facility and other education and awareness issues relating to their registration. Further information was provided to support employers to claim reimbursement following long service leave payment to their workers.
- The Authority supported the Building Service Contractors Association of Australia (BSCAA) at their Excellence Awards and Employer Awareness Sessions in Mackay, Townsville and Cairns.

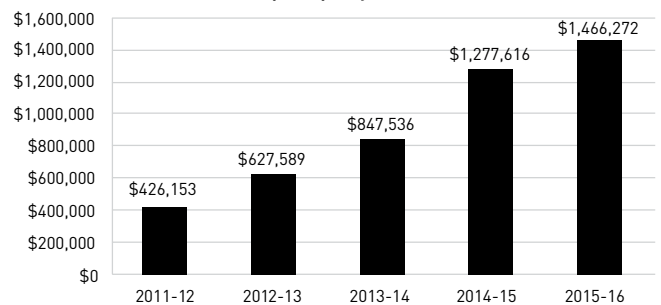
CLAIMS

- From 1 July 2015 to 30 June 2016, long service leave payments were made for 356 claims to the value of \$1,466,272 comprising:
 - 104 claims paid to registered employers, to the value of \$356,294 compared with 133 claims totalling \$459,455 at 30 June 2015,
 - 252 claims paid to registered workers, to the value of \$1,109,978 compared with 195 claims totalling \$809,602 at 30 June 2015.

Number of claims paid per year 2011-2016



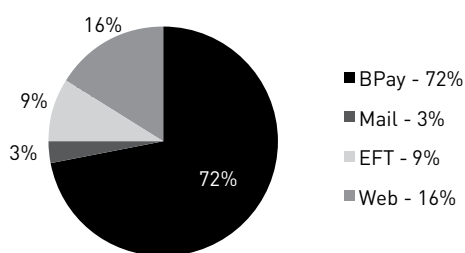
Value of claims paid per year 2011-2016



RETURNS AND LEVY COLLECTION

- Levy payments totalled \$4.3 million for the financial year, including \$12,564 paid in interest and penalties.
- Over 93% of employers submitted their returns using the online employer return application and 97% of employers paid their levy electronically.

Type of levy payments received 1 July 2015 to 30 June 2016



COMPLIANCE

- During 2015-16, the majority of registered employers complied with their legislative requirements.
- Fewer than 10% of employers incurred penalties for late lodgement or late levy payment. A total of \$12,564 was incurred by employers, made up of \$12,490 in penalties and \$74 for interest on unpaid levies.
- Compliance staff visited 53 registered employers for educational purposes to assist employers with completion of quarterly returns and general scheme awareness.
- The audit compliance program comprised 25 audits of employers with the following outcomes:
 - 84% of employers audited had minor or no discrepancies
 - 16% of employers audited had discrepancies greater than \$1,000 and were required to either pay additional levy or were refunded an overpayment.
- Legal services were required for 19 matters including complaint and summons matters, debt recoveries, reconsiderations, internal advice requests and statutory advice work.

STRATEGIES FOR 2016-17

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.



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 2016, the Scheme had \$54.2 million under fund management with the Queensland Investment Corporation. This represents an increase of \$3 million over the 30 June 2015 figure.

The Cash Enhanced Fund returned 2.68% net for the year (30 June 2016 balance was \$9.67 million) and the Growth Fund returned 1.29% net for the year (30 June 2016 balance was \$44.55 million).

	30 June balance \$
Cash at Bank	34,049
Queensland Investment Corporation	54,213,616
Total	54,247,665

Budget performance

The operational budget is closely monitored on a monthly basis. The administration costs include \$689,000 paid to QLeave to administer the Contract Cleaning Industry Portable Long Service Leave Scheme on behalf of the Authority.

	Actual (\$000s)	Variance to Budget (\$000s)
Levies income	4,260	12
Investment income	850	(2,923)
Supplies, services and employee expenses	1,053	(132)
Long service leave payments	1,466	266

The total provision for the Scheme's accrued long service leave entitlements at 30 June 2016, as determined by the actuary, was \$20 million which is an increase of \$1.7 million (9.3%) from the previous year.

The 2015-16 financial year saw the Authority make an operating surplus of \$891,000.

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 2015-16 based upon 30 June 2015 scheme data. The actuary found the Scheme was in a very sound financial position. The next full assessment will be undertaken in 2017-18 based upon 30 June 2017 scheme data.

STRATEGIES FOR 2016-17

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'). The Board reports to the relevant Minister at specific quarterly intervals concerning the Authority's operational and financial performance.

From 1 July 2015 until 7 December 2015, the Board reported to the Honourable Curtis Pitt MP, Treasurer, Minister for Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships via Queensland Treasury. From 8 December 2015 until 30 June 2016, the Board reported to the Honourable Grace Grace MP, Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs.

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 Corporate 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 2015-16, in August and November 2015, February, May and June 2016.

DIRECTORS' ATTENDANCE AT MEETINGS 2015-16

Director	Meetings attended
Number of meetings held	5
Martin Dowling	4
Damian Wright	4
Ken Holder	5
Kim Puxty	4
Jane Cartwright	4
Damien Davie	3

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 for recalcitrant employers
- 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.

2015-16 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.

The Board conducted its 2015-16 evaluation as a discussion held *in camera* and led by the Chairperson. Directors have committed themselves to a continuous program of professional development, resulting in better service to the Board and the Scheme.

STRATEGIES FOR 2016-17

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 both the industry workforce composition and the changing environment of how contract cleaning work is performed.

Scheme Viability, including undertaking the interim 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 cooperation with interstate long service leave schemes; a greater emphasis on the use of online services towards achieving the Authority's goal of 100% of transactions available online by 2017.

Corporate Governance and Risk Management, including monitoring of targeted compliance activities and debt management; maintaining quality certification; 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. Under its guidance, contemporary risk assessment practices have been implemented, strengthening the governance framework. Internal audit provides an unbiased, objective assessment, evaluating and improving the risk management, control and governance processes to ensure that 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
- Statutory Registers and Claims
- Supplies and Services
- General Information Systems
- Financial Assets
- Risk Management
- Performance Management
- Annual Financial Statements

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 where the status of significant and important risk issues outstanding are monitored. In addition to the business risk assessment, internal audits undertaken in 2015-16 involved review of compliance framework and specific compliance issues, assessments of internal controls and associated risks with QLeave policies, procedures and government guidelines.

Risk management is an essential component of an effective governance system and works in conjunction with the internal audit function. Risk management is the responsibility of all members of the organisation, embedded in the culture, organisational structure, policies, procedures and work instructions. Our risk management policy is developed in accordance with *AS/NZS ISO 31000:2009, Risk Management—Principles and Guidelines*, and has been designed to integrate risk management into standard business processes.

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 2015-16 refer to the Annual Report for the Building and Construction Industry (Portable Long Service Leave) Authority available at www.qleave.qld.gov.au Building and Construction Industry link.

STRATEGIES FOR 2016-17

Corporate governance and risk management frameworks through:

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

THE BOARD

→ MARTIN DOWLING, CHAIR

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 is currently a Director of ANZUP, Director of Safe Streets and Financial Controller at Hastings Deering. He has held executive and senior management level financial and commercial roles at some of the largest companies in the world in their respective industries.

→ DAMIAN WRIGHT, DEPUTY CHAIR

Damian was appointed to the Board as Deputy Chairperson in 2014. He is a partner of BDO in Brisbane. Damian is a Chartered Accountant and Registered Company Auditor.

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

Damian has over 25 years' experience in Chartered Accountant 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, Member of the Australian Institute of Company Directors, Member of the Securities Institute Australia and is a Director of Lives Lived Well Limited (a large not for profit providing services across alcohol and other drug related issues).

→ KEN HOLDER, EMPLOYER REPRESENTATIVE

Ken was appointed to the Board in 2014. He holds BA and MA (Hons) degrees in History and Geography and an Executive MBA from the University of Auckland. For the last 8 years he has been a Director and the CEO of Pickwick Group Pty Ltd, a leading supplier of commercial contract cleaning and security services to business and government throughout Australia. Ken has over 30 years' experience in private sector business including facility services, logistics, building, industrial and manufacturing products, and forestry. Prior to Pickwick he spent over 20 years in senior marketing and sales management roles with different international publicly listed companies based in Australia, NZ and Canada. Ken is a Justice of the Peace (Qualified) and a Graduate Member of the Australian Institute of Company Directors.

→ KIM PUXTY, EMPLOYER REPRESENTATIVE

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 and safety risk management, internal auditing, quality auditing and management systems.



→ **JANE CARTWRIGHT, WORKER REPRESENTATIVE**

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 twelve years representing contract cleaners, security guards, catering workers, paint workers, childcare workers and offshore immigration and detention workers in Queensland. Jane's current role is working with Prosecutions in the Industrial Section of the union.

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**

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.

Contract Cleaning Industry (Portable Long Service Leave) Authority
For the Year Ended 30 June 2016

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Contract Cleaning Industry (Portable Long Service Leave) Authority
Statement of Comprehensive Income
for the year ended 30 June 2016

OPERATING RESULT	Notes	2016 \$'000	2015 \$'000
Income from Continuing Operations			
Portable long service leave levies	B1-1	4,260	5,297
Other revenue		-	4
Income from investments	B1-2	817	1,285
Interest		4	4
Net gain/(loss) on financial assets at fair value	B1-3	29	1,206
Total Income from Continuing Operations		5,110	7,796
Expenses from Continuing Operations			
Employee expenses		9	8
Supplies and services	B2-1	1,044	1,173
Portable long service leave scheme benefits	C6	3,166	3,078
Total Expenses from Continuing Operations		4,219	4,259
Operating Result from Continuing Operations		891	3,537
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		891	3,537

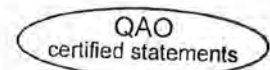
The accompanying notes form part of these statements.

QAO
certified statements

Contract Cleaning Industry (Portable Long Service Leave) Authority
Statement of Financial Position
as at 30 June 2016

	Notes	2016 \$'000	2015 \$'000
Current Assets			
Cash and cash equivalents	C1	34	87
Receivables	C2	1,635	2,109
Financial assets at fair value through profit or loss	C3	54,214	51,160
Other current assets	C4	25	2
Total Current Assets		<u><u>55,908</u></u>	<u><u>53,358</u></u>
Total Assets		<u><u>55,908</u></u>	<u><u>53,358</u></u>
Current Liabilities			
Payables	C5	237	278
Provision for scheme benefits	C6	12,100	10,600
Total Current Liabilities		<u><u>12,337</u></u>	<u><u>10,878</u></u>
Non-Current Liabilities			
Provision for scheme benefits	C6	7,900	7,700
Total Non-Current Liabilities		<u><u>7,900</u></u>	<u><u>7,700</u></u>
Total Liabilities		<u><u>20,237</u></u>	<u><u>18,578</u></u>
Net Assets		<u><u>35,671</u></u>	<u><u>34,780</u></u>
Equity			
Accumulated surplus	C7	35,671	34,780
Total Equity		<u><u>35,671</u></u>	<u><u>34,780</u></u>

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 2016

	Accumulated Surplus/Deficit \$'000	TOTAL \$'000
Balance as at 1 July 2014	31,243	31,243
Operating Result		
Operating result from continuing operations	3,537	3,537
Other Comprehensive Income	-	-
Total Comprehensive Income for the Year	3,537	3,537
Balance at 30 June 2015	34,780	34,780
Operating Result		
Operating result from continuing operations	891	891
Other Comprehensive Income	-	-
Total Comprehensive Income for the Year	891	891
Balance at 30 June 2016	35,671	35,671

The accompanying notes form part of these statements.

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Contract Cleaning Industry (Portable Long Service Leave) Authority
Statement of Cash Flows
for the year ended 30 June 2016

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2016 \$'000	2015 \$'000
<i>Inflows:</i>			
Interest		4	4
Portable long service leave levies		4,552	5,533
Proceeds from investments		350	475
Other revenue		25	49
GST input tax credits from ATO		77	83
<i>Outflows:</i>			
Employee expenses		(9)	(8)
Supplies and services		(941)	(1,006)
Portable long service leave paid		(1,474)	(1,320)
Payments for investments		(2,550)	(3,680)
GST paid to suppliers		(87)	(97)
Net cash provided by operating activities	CF-1	<u>(53)</u>	<u>33</u>
Net increase in cash and cash equivalents		(53)	33
Cash and cash equivalents at beginning of financial year ⁽¹⁾		<u>87</u>	<u>54</u>
Cash and cash equivalents at end of financial year ⁽¹⁾	C1	<u><u>34</u></u>	<u><u>87</u></u>

(1) Cash and cash equivalents comprise of cash at bank as disclosed in Note C1.

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 2016

NOTES TO THE STATEMENT OF CASH FLOW

CF-1 Reconciliation of Operating Result to Net Cash Provided by Operating Activities

	2016	2015
	\$'000	\$'000
Operating surplus	891	3,537
<i>Changes in Assets and Liabilities</i>		
Increase (decrease) in PLSL Scheme Benefits Provision	1,700	1,800
(Increase) decrease in Financial Assets	(3,054)	(5,761)
(Increase) decrease in Receivables	474	482
(Increase) decrease in Prepayments	(23)	4
Increase (decrease) in Payables	(41)	(29)
Net cash from operating activities	(53)	33

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Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2016

SECTION 1
ABOUT THE AUTHORITY AND THIS FINANCIAL REPORT

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

The Contract Cleaning Industry (Portable Long Service Leave) Authority (Authority) is established under the *Contract Cleaning Industry (Portable Long Service Leave) Authority 2005*.

The principle place of business of the Authority is Level 4, Lutwyche City Shopping Centre, 543 Lutwyche Road, LUTWYCHE QLD 4030.

A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

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 2016.

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.

A1-3 PRESENTATION

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.

Comparative

Comparative information reflects the audited 2014-15 financial statements and 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.

A1-4 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

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.

A1-5 BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except for provisions expected to be settled 12 or more months after the reporting date which are measured at their present value and financial assets with QIC which are measured at fair value.

Historical Cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

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Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2016

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-5 BASIS OF MEASUREMENT (continued)

Fair Value

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. Fair value is determined using one of the following three approaches:

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. smaller) assets, liabilities or a group of assets and liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current/depreciated replacement cost methodology.
- The *income approach* converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

Present Value

Present value represents the present discounted value of the future net cash flows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

Net Realisable Value

Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

A1-6 THE REPORTING ENTITY

The reporting entity comprises the Authority with there being no other related entities.

A2 OBJECTIVES OF THE AUTHORITY

The objective of the 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.

For the 2015-16 financial year, the Authority reported to the Treasurer, Minister for Employment and Industrial Relations, Minister for Aboriginal and Torres Strait Islander Partnerships (Hon Curtis Pitt MP) from 1 July 2015 until 8 December 2015. From 8 December 2015 to 30 June 2016, the Authority reported to the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs (Hon Grace Grace MP).

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 Directors.

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2016

SECTION 2
NOTES ABOUT OUR FINANCIAL PERFORMANCE

B1 REVENUE

Accounting Policy - Income from Levies

B1-1 INCOME FROM LEVIES

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 2016, has been estimated and accrued based on levies received year to date and specifically for the third quarter return period, January to March 2016.

	2016	2015
	\$'000	\$'000
Portable long service leave levies	4,260	5,297

B1-2 INCOME FROM INVESTMENTS

Accounting Policy - Income from Investments

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

<i>QIC Cash Enhanced Fund</i>		
Distribution	262	321
<i>QIC Growth Fund</i>		
Distribution	555	964
Total	<u>817</u>	<u>1,285</u>

B1-3 NET GAIN/(LOSS) ON FINANCIAL ASSETS AT FAIR VALUE

	2016	2015
	\$'000	\$'000
<i>QIC Cash Enhanced Fund</i>		
Earnings	256	283
Less Distributions	(262)	(321)
Fair Value Movement	<u>(5)</u>	<u>(38)</u>
<i>QIC Growth Fund</i>		
Earnings	589	2,208
Less Distributions	(555)	(964)
Fair Value Movement	<u>34</u>	<u>1,244</u>
Total Fair Value Movement	<u>29</u>	<u>1,206</u>

B2 EXPENSES

B2-1 SUPPLIES AND SERVICES

Accounting Policy - Procurement

A transaction is classified as supplies and services when the value of goods and services received by the Authority are approximately equal value to the value of consideration exchanged for those goods or services.

	2016	2015
	\$'000	\$'000
Advertising/Promotions	11	12
Agency fees - QLeave ⁽¹⁾	689	769
QAO - external audit fees ⁽²⁾	11	10
Consultancy charges (including Actuarial fees)	21	22
Legal Expenses	0	4
Contractor charges	93	111
Fund management fees ⁽³⁾	161	152
General administration	7	6
Insurance Premiums - QGIF ⁽⁴⁾	2	2
Computer costs	5	-
Travel costs	7	7
Printing & photocopying	7	10
Postage & freight	14	12
Professional Development	9	6
Impairment Losses	9	50
Total	<u>1,044</u>	<u>1,173</u>

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Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2016

B2 EXPENSES (continued)

B2-1 SUPPLIES AND SERVICES (continued)

Agency Fees - QLeave

- (1) The Authority under agreement pays to QLeave a fee for service for the administrative services that it requires to carry out its functions effectively and efficiently including the collection of levies.

Audit Fees

- (2) The total audit fees quoted by the Queensland Audit Office relating to the 2015-16 financial statements are estimated to be \$10,900 (2015: \$10,500). There are no non-audit services included in this amount.

Fund Management Fees

- (3) Fund Management Fees represents the costs associated with the management of funds with Queensland Investment Fund.

Insurance Premiums - QGIF

- (4) 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 Director compensation.

Special Payments

Special payments represent ex-gratia expenditure and other expenditure that the Authority is not contractually or legally obligated to make to other parties. No special payments were recorded in 2015-16.

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2016

SECTION 3
NOTES ABOUT OUR FINANCIAL POSITION

C1 CASH AND CASH EQUIVALENTS

	2016 \$'000	2015 \$'000
Cash at bank	34	87
Total	<u>34</u>	<u>87</u>

Accounting Policy - Cash and Cash Equivalents

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

Disclosure - Cash and Cash Equivalents

Interest earned on cash held with the Commonwealth Bank was 2.25% in 2015-16 (2015: 2.5%).

C2 RECEIVABLES

	2016 \$'000	2015 \$'000
Trade Debtors	87	50
Less: Allowance for impairment loss	(60)	(75)
	<u>27</u>	<u>(25)</u>
Accrued Revenue *	1,586	2,110
GST input tax credits receivable	22	24
	<u>1,608</u>	<u>2,134</u>
Total	<u>1,635</u>	<u>2,109</u>

Accounting Policy - 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. The allowance for impairment is based on loss events in conjunction with current debtor monitoring and analysis.

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, no interest is charged and no security is obtained.

* Comprises Queensland Investment Corporation 4th quarter distribution of \$76,000 and \$555,000 for the Cash Enhanced Fund and Growth Fund respectively and levy revenue for the 4th quarter of \$955,000.

Disclosure - Credit Risk Exposure of Receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets inclusive of any provisions for impairment.

No collateral is held as security and no credit enhancements relate to receivables held by the Authority. Receivables fall into one of the following categories when assessing collectability:

- within terms and expected to be fully collectable
- within terms but impaired
- past due but not impaired
- past due and impaired

Note C2-1 details the accounting policies for impairment of receivables, including the loss events giving rise to impairment and the movements in the allowance for impairment.

All receivables within terms and expected to be fully collectable are considered of good credit quality based on recent collection history. Credit risk management strategies are detailed in Note D2.

C2-1 IMPAIRMENT OF RECEIVABLES

Accounting Policy - Impairment of Receivables

The allowance for impairment reflects the occurrence of loss events. The most readily identifiable loss event is where a debtor is overdue in paying a debt to the Authority, according to the due date. Economic conditions impacting the Authority's debtors, and relevant industry data, also form part of the Authority's risk analysis.

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Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2016

C2 RECEIVABLES (continued)

C2-1 IMPAIRMENT OF RECEIVABLES (continued)

Accounting Policy - Impairment of Receivables (continued)

If no loss events have arisen in respect of a particular debtor or group of debtors, no allowance for impairment is made in respect of that debt/group of debtors. If the Authority determines that an amount owing by such a debtor does become uncollectable (after appropriate range of debt recovery actions), that amount is recognised as a Bad Debt expense and written off directly against Receivables. In other cases where a debt becomes uncollectable but the uncollectable amount exceeds the amount already allowed for impairment of that debt, the excess is recognised directly as a Bad Debt expense and written off directly against Receivables.

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 \$24,000. This was a decrease of \$41,000 from 2015 and is largely represented by ten employers going into liquidation with no prospect of recovering the outstanding levy.

The provision amount was reduced from \$75,000 to \$60,000. This level is considered appropriate given past impairment and the current assessment of debtors.

Disclosure - Individually Impaired Receivables Position (Aged)

	2016			2015		
	Gross Receivables \$'000	Allowance for Impairment \$'000	Carrying Amount \$'000	Gross Receivables \$'000	Allowance for Impairment \$'000	Carrying Amount \$'000
Overdue						
Less than 30 days	52	(52)	-	58	(58)	-
30 to 60 days	-	-	-	1	(1)	-
60 to 90 days	4	(4)	-	9	(9)	-
Greater than 90 days	4	(4)	-	7	(7)	-
Total Overdue	60	(60)	-	75	(75)	-

Disclosure about Movement in Allowance for Impairment for Impaired Receivables

	2016 \$'000	2015 \$'000
Movement in the allowance for impairment		
Balance at 1 July	75	90
Amounts written off during the year	(24)	(65)
Increase/(decrease) in allowance recognised in the operating result	9	50
Total Overdue	60	75

Disclosure - Ageing of Past Due but Not Impaired Receivables

	2016 \$'000	2015 \$'000
Overdue		
Less than 30 days	66	17
30 to 60 days	9	-
60 to 90 days	-	1
Greater than 90 days	-	7
Total Overdue	75	25

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 \$12,600 in 2016 (2015: \$41,800). Penalties waived totalled \$1,600 in 2016 (2015: \$6,000).

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Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2016

C3 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016	2015
	\$'000	\$'000
QIC - Cash Enhanced Fund (at market value)	9,667	9,688
QIC - Growth Fund (at market value)	44,547	41,472
Total	54,214	51,160

Accounting Policy - Financial Assets at Fair Value through Profit or Loss

The Authority's holdings in financial assets at value through profit and loss is limited to unlisted unit trusts managed by QIC Limited. The fair value of these holdings was based on 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.

C4 OTHER ASSETS

	2016	2015
	\$'000	\$'000
Prepayments	25	2
Total	25	2

C5 PAYABLES

	2016	2015
	\$'000	\$'000
Trade Creditors	211	245
Accrued Charges	26	33
Total	237	278

Accounting Policy - 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 generally settled on 30 day terms.

C6 PROVISION FOR SCHEME BENEFITS

	2016	2015
	\$'000	\$'000
Current		
Provision for long service leave expected to be settled within 12 months (measured at present value)	1,400	1,200
Provision for long service leave expected to be settled after 12 months (measured at present value)	10,700	9,400
Total	12,100	10,600
Non-Current		
Provision for long service leave (measured at present value)	7,900	7,700
Total	7,900	7,700

Accounting Policy - Provisions

Provisions are recorded when the Authority has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using an appropriate discount rate.

Movements in Provisions

Balance as at 1 July	18,300	16,500
Additional provision recognised	3,166	3,078
Reductions in provisions from payments	(1,466)	(1,278)
Balance as at 30 June	20,000	18,300

Payments for long service leave claims are assessed and calculated in accordance with the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005* and regulations.

Scheme eligible members as at 30 June were 44,571 (2015: 45,383).

* The total current provision of \$12.1 million (2015: \$10.6 million) represents the value for which the Authority does not have an unconditional right to defer settlement for at least 12 months. The Authority only expects to pay \$1.4 million over the next 12 months.

The liability has been recorded as both a current liability and a non-current liability in accordance with AASB101 *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 12 months after the reporting date.

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Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2016

C6 PROVISION FOR SCHEME BENEFITS (continued)

Key Estimates and Judgements: Provision

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* 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. The Authority ensures an independent actuarial assessment is undertaken in accordance with legislation.

The latest actuarial assessment of the scheme's liabilities by DeeDeeRa dated 3 March 2016 was prepared utilising 30 June 2015 worker data based on a number of assumptions.

The major actuarial assumptions are categorised into two main components being demographic and economic.

Demographic Assumptions

- The future accrual of service credits for currently active workers (those workers who received a service in quarter ending on the valuation date being 30 June 2015 would accrue 365 days per year) and recently active workers (those workers who received a service in the March 2015 quarter but not in the June 2015 quarter will accrue 365 days per year. 10% of these accrue further service credits and 90% would not accrue any service in the future.
- The retirement age was assumed to be normal at 70 years.
- The worker exit rates dependent on service years.
- Eligible workers claimed an in-service benefit taken at the rate of 30%.

Economic Assumptions

- The long-term investment return of 7.0% per annum net of management costs (2015: 7.5% per annum).
- The rate of wage increase of 2.5% per annum (2015: 3% per annum).
- The real rate of return of 4.5% per annum (2015: 4.5% per annum).
- The prescribed award wage rate of \$725.90 from 1 July 2015 (\$708.20 from 1 July 2014).
- The number of active workers at any time of 12,000.

The provision has been discounted using a rate of 7.0% reflecting the long-term rate of return on the Authority's assets to determine the present value.

C7 EQUITY

	2016 \$'000	2015 \$'000
Accumulated Surplus		
Opening balance	34,780	31,243
Net surplus	891	3,537
Closing balance	35,671	34,780

Accounting Policy - Equity

The accumulated balance of each class of other comprehensive income and retained earnings are the components of equity.

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2016

SECTION 4
NOTES ABOUT RISK AND OTHER ACCOUNTING UNCERTAINTIES

D1 FAIR VALUE MEASUREMENT

D1-1 ACCOUNTING POLICIES AND INPUTS FOR FAIR VALUES

What is Fair Value?

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 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.

Fair Value Measurement Hierarchy

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:

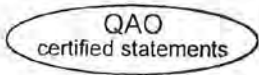
Level 1	represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
Level 2	represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
Level 3	represents fair value measurements that are substantially derived from unobservable inputs

D1-2 BASIS FOR FAIR VALUES OF ASSETS AND LIABILITIES

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.

D1-3 CATEGORISATION OF ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

	Level 1		Level 2		Level 3		Total Carrying	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial Assets								
Cash and cash equivalents	34	87	-	-	-	-	34	87
Investments	-	-	-	-	-	-	-	-
QIC Cash Enhanced Fund	-	-	9,667	9,688	-	-	9,667	9,688
QIC Growth Fund	-	-	44,547	41,472	-	-	44,547	41,472
Total	34	87	54,214	51,160	-	-	54,248	51,247



Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2016

D1 FAIR VALUE MEASUREMENT (continued)

D1-4 LEVEL 2 FAIR VALUE MEASUREMENT - RECONCILIATION

	2016	2015
	\$'000	\$'000
<i>QIC Cash Enhanced Fund</i>		
Carrying amount at 1 July	9,688	9,967
Plus		
Earnings	257	283
Contributions	-	75
Distributions reinvested	-	-
Less		
Distributions	(262)	(321)
Redemptions	(16)	(316)
Carrying amount at 30 June	9,667	9,688
<i>QIC Growth Fund</i>		
Carrying amount at 1 July	41,472	35,432
Plus		
Earnings	589	2,208
Contributions	2,550	3,530
Distributions reinvested	996	1,509
Less		
Distributions	(555)	(964)
Redemptions	(505)	(243)
Carrying amount at 30 June	44,547	41,472
Total carrying amount at 30 June	54,214	51,160

D2 FINANCIAL RISK DISCLOSURES

D2-1 FINANCIAL INSTRUMENT CATEGORIES

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

Category	Note	2016 \$'000	2015 \$'000
Financial Assets			
Financial assets measured at amortised cost:			
Cash and cash equivalents	C1	34	87
Receivables	C2	1,635	2,109
Financial assets at fair value through profit or loss:			
QIC - Cash Enhanced	C3	9,667	9,688
QIC - Growth Fund	C3	44,547	41,472
Total		55,883	53,356
Financial Liabilities			
Financial liabilities measured at amortised cost:			
Payables	C5	237	278
Total		237	278

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

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2016

D2 FINANCIAL RISK DISCLOSURES (continued)

D2-2 FINANCIAL RISK MANAGEMENT

(a) Risk Exposure

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	Definition	Exposure
Credit Risk	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 Authority is exposed to credit risk in respect of its receivables (Note C2).
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 payments for long service leave claims).
Market Risk	<p>The risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.</p> <p><i>Price Risk</i> is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors to the specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.</p> <p><i>Interest rate risk</i> is the risk that the fair value or future cash flows of financial instrument will fluctuate because changes in market interest rates.</p>	<p>The Authority is exposed to price risk through investments with QIC. The Authority is exposed to adverse movements in the level of volatility of the financial markets in respect to these investments.</p> <p>The Authority is exposed to interest rate risk through cash and cash equivalents subject to variable interest rates.</p>

(b) Risk Measurement and Management Strategies

Risk Exposure	Measurement Method	Risk Management Strategies
Credit Risk	Ageing analysis	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.
Liquidity Risk	Sensitivity analysis	<p>The Authority manages liquidity 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.</p> <p>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.</p>
Market Risk	<p>Price sensitivity</p> <p>Interest rate sensitivity analysis</p>	<p>To manage the risk of a decline in portfolio value due to adverse movements in market price the QIC investment structure has funds deposited with the QIC Cash Enhanced Fund and the Growth Fund.</p> <p>The Authority does not undertake any hedging in relation to interest risk. The Authority's Investment Policy Statement is reviewed annually to ensure that an appropriate asset allocation exists to give expected returns for given levels of risk over time.</p>

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2016

D2 FINANCIAL RISK DISCLOSURES (continued)

D2-3 CREDIT RISK - CONTRACTUAL MAXIMUM EXPOSURE

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

Category	Note	2016 \$'000	2015 \$'000
Financial Assets			
Cash and cash equivalents	C1	34	87
Receivables	C2	1,635	2,109
Total		1,669	2,196

No collateral is held as security and no credit enhancements relate to financial assets held by the Authority. Refer to Note C2-1.

D2-4 LIQUIDITY RISK - CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES

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

Financial Liabilities	2016				2015			
	Total \$'000	<1 year \$'000	1-5 years \$'000	>5 years \$'000	Total \$'000	<1 year \$'000	1-5 years \$'000	>5 years \$'000
Payables	237	-	-	-	278	-	-	-
Total	237	-	-	-	278	-	-	-

D2-5 MARKET RISK

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 2016 (2015: +/- 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 \$1,626,000 (\$1,535,000 in 2015). This is attributable to the Authority's exposure to investments returns held with QIC's Cash Enhanced and Growth Funds.

Financial Instruments	Carrying Amount \$'000	2016 Market rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
QIC - Cash Enhanced Fund	9,667	(290)	(290)	290	290
QIC - Growth Fund	44,547	(1,336)	(1,336)	1,336	1,336
Potential Impact		(1,626)	(1,626)	1,626	1,626

Financial Instruments	Carrying Amount \$'000	2015 Market rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
QIC - Cash Enhanced Fund	9,688	(291)	(291)	291	291
QIC - Growth Fund	41,472	(1,244)	(1,244)	1,244	1,244
Potential Impact		(1,535)	(1,535)	1,535	1,535

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2016

D2 FINANCIAL RISK DISCLOSURES (continued)

D2-5 MARKET RISK (continued)

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 less than \$1,000 (2015: \$1,000).

Financial Instruments	Carrying Amount	2016 Interest rate risk			
		- Sensitivity		+ Sensitivity	
		Profit	Equity	Profit	Equity
Cash and cash equivalents	34	(-)	(-)	(-)	(-)
Potential Impact		(-)	(-)	(-)	(-)

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

D3 CONTINGENCIES

As at 30 June 2016, there were no contingent assets or liabilities.

D4 EVENTS AFTER THE BALANCE DATE

The long service leave levy rate will be reduced to 1.0% effective 1 July 2016.

D5 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

At the date of authorisation of the financial report, the expected impact of new and amended Australian Accounting Standards issued but with future commencement dates are set out below:

AASB 2016-2 Amendments to Australian Accounting Standards Disclosure Initiative: Amendments to AASB 107

From reporting periods on or after 1 July 2017, this Standard amends AASB 107 *Statement of Cash Flows* and requires entities preparing financial statements in accordance with Tier 1 reporting requirements to provide additional disclosure that enables users of financial statements to evaluate changes in liabilities arising from financing activities. These disclosures will include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities and be disclosed by way of a reconciliation or roll forward as part of the notes to the statement of cash flows. The measurement as assets, liabilities, income and expenditure in the financial statements will be unaffected.

AASB 124 - Related Party Disclosures

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 required a range of disclosures about the remuneration of key management personnel, transactions with related parties/entities, and relationships between parties/entities. The Authority already discloses information about the remuneration expenses for key management personnel (refer Note E1) in compliance with requirements from Queensland Treasury. Therefore, the most significant implications to 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

This standard will become effective from reporting periods beginning on or after 1 January 2018 and 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 sales of the Authority's goods and services, such that some revenue may need to be deferred to a later reporting period to the extent that the Authority has received cash but has not met its associated obligations (such amounts would be reported as a liability (unearned revenue) in the meantime). The Authority is yet to complete its analysis of current arrangements for sale of its goods and services, but at this stage does not expect a significant impact on its present accounting practices.

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2016

D5 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE (continued)

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

These standards 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, changed 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.

AASB 16 Leases

This standard will become effective for reporting periods beginning on or after 1 January 2019. When applied, the standard supersedes AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases - Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Impact for Lessees

Unlike AASB 117 *Leases*, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

In effect, the majority of operating leases (as defined by the current AASB 117) will be reported on the Statement of Financial Position under AASB 16. The impact on the reported assets and liabilities would be largely in proportion to the scale of the Authority's leasing activities.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the commencement date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-to-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. If a lessee chooses to apply the 'cumulative approach', it does not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application. The Authority will await further guidance from Queensland Treasury on the transitional accounting method to be applied.

The Authority has not yet quantified the impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 to its current operating leases, including the extent of additional disclosure.

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2016

**SECTION 5
OTHER INFORMATION**

E1 KEY MANAGEMENT PERSONNEL DISCLOSURES

Details of 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 Authority during 2015-16 and 2014-15. Further information on these positions can be found in the body of the Annual Report under the section relating to The Board.

Director

A Director is responsible for commercial policy and management of the Authority.			
Incumbent	Contract Classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Mr Martin Dowling	Board Director	1 July 2014	-
Mr Damian Wright	Governor-in-Council	1 July 2014	-
Mr Ken Holder		6 February 2014	-
Ms Kim Puxty		1 July 2011	-
Ms Jane Cartwright		1 July 2005	-
Mr Damien Davie		26 August 2010	-

The following persons held the position of Director during the year ended 30 June 2016.

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.

Key Management Personnel Remuneration Expense

2015-16

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	1,800	-	-	-	-	1,800
Ms Kim Puxty	1,800	-	-	-	-	1,800
Ms Jane Cartwright	1,200	-	-	-	-	1,200
Mr Damien Davie	900	-	-	-	-	900
Total Remuneration	8,850	-	-	-	-	8,850

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Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2016

E1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

Key Management Personnel Remuneration Expense (continued)

2014-15

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
Total Remuneration	7,950	-	-	-	-	7,950

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.

E2 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OF CHANGE IN ACCOUNTING POLICY

Changes in Accounting Policy

The Authority did not voluntarily change any of its accounting policies during 2015-16.

Accounting Standards Early Adopted for 2015-16

Two Australian Accounting Standards have been early adopted for the 2015-16 year as required by Queensland Treasury. These are:

AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]

The amendments arising from this standard seek to improve reporting by providing flexibility as to the ordering of notes, the identification and location of significant accounting policies and the presentation of sub-totals, and provides clarity on aggregating line items. It also emphasises only including material disclosure in the notes. The Authority has applied this flexibility in preparing the 2015-16 financial statements, including co-locating significant accounting policies with the related breakdowns of financial statement figures in the notes.

AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities [AASB 13]

This standard amends AASB 13 *Fair Value Measurement* and provides relief to not-for-profit public sector entities from certain disclosures about property, plant and equipment that is primarily held for its current service potential rather than to generate future net cash flows. The relief applies to assets under AASB 116 *Property, Plant and Equipment* which are measured at fair value and categorised within Level 3 of the fair value hierarchy. The Authority does not hold any property, plant and equipment and as a result this amendment does not have an impact.

Accounting Standards Applied for the First Time in 2015-16

No new Australian Accounting Standards effective for the first time in 2015-16 had any material impact on this financial report.

E3 TAXATION

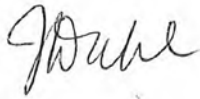
The activities of the Authority are exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). GST credits receivable from, and GST payable to the ATO, are recognised (refer Note C2). The collection of levies is not subject to GST.

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**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 2016 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

25 August 2016



M Dowling
Chair

25 August 2016

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Report

I have audited the accompanying financial report of the Contract Cleaning Industry (Portable Long Service Leave) Authority, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the 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.

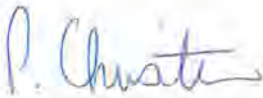
Opinion

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 2015 to 30 June 2016 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.



P CHRISTENSEN FCPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

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PUBLIC AVAILABILITY

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

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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.



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