

**Building & Construction Industry**  
(Portable Long Service Leave) Authority

annual report  
**2020**  
**21**

[www.qleave.qld.gov.au](http://www.qleave.qld.gov.au)



**PORTABLE**  
LONG SERVICE  
LEAVE

- **OUR VISION** – We each lead and serve to secure long service leave for eligible workers of today and tomorrow.
- **OUR PURPOSE** – We will honour the work of our members by administering the scheme responsibly, so their long service leave is secure and easily accessible and they receive equitable and consistent service.
- **OUR VALUES** – To support us in achieving our strategic goals, QLeave has adapted the five organisational values of the Queensland Public Service.

**Customers first**

We are fair and consistent, seek to understand and to make decisions for the long term

**Empower people**

We are all leaders, who thrive on learning and sharing knowledge

**Unleash potential**

We want to improve and deliver beyond the expectations of our stakeholders

**Ideas into action**

We challenge, try new things and seek different perspectives

**Be courageous**

We feel safe to be vulnerable, to speak up, to pursue opportunities and to fail

© QLeave 2021

QLeave is the trading name of the Building and Construction Industry (Portable Long Service Leave) Authority, established in 1992 to administer a paid long service leave scheme for eligible workers in the building and construction industry.

The portable long service leave scheme is administered in accordance with the legislation.

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# LETTER OF COMPLIANCE

27 August 2021

The Honourable Grace Grace MP  
Minister for Education and Minister for Industrial Relations and Minister for Racing  
PO Box 15033  
CITY EAST QLD 4002

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2020-21 and financial statements for the Building and Construction Industry (Portable Long Service Leave) Authority.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies* guidelines.

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

This report is prepared on the basis of the current administrative arrangements for this agency applying for the whole of the 2020-21 financial year. That is, it reflects the structure, operations and performance of the statutory entity as it now exists, following the commencement of the new *Community Services Industry Portable Long Service Leave Scheme* on 1 January 2021.

Yours sincerely



**Peta Irvine**

CHAIRPERSON

Building and Construction Industry (Portable Long Service Leave) Authority



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# ABOUT THE AUTHORITY

QLeave was established in 1992 to administer the portable long service leave scheme for workers in Queensland's building and construction industry. The purpose of the scheme is to enable workers in an industry characterised by insecure employment to access entitlements available in other sectors.

As at 30 June 2021, the scheme had 321,326 workers and 23,022 employers registered. Since 1992, long service leave payments totalling over \$1.1 billion have been paid to industry workers. In the 2020-21 financial year, 10,554 long service leave claims of \$69.77 million were paid to industry workers and employers.

The COVID-19 pandemic continued to impact the scheme and its administration. Queensland Parliament passed temporary amendments to QLeave's enabling legislation in May 2020 to allow workers experiencing hardship as a result of COVID-19 early access to their long service leave entitlements. These temporary amendments ended on 31 December 2020. Between 1 July and 31 December 2020, QLeave paid 138 financial hardship payments totalling over \$1.4 million to industry workers impacted by COVID-19.

Ongoing travel restrictions and event cancellations as a result of COVID-19 also affected the way QLeave engaged with stakeholders throughout the year. We found new ways to connect with our members and stakeholders by moving meetings and presentations online, and publishing new digital resources to our website and YouTube channel. This increased our capacity to deliver information to stakeholders across Queensland and to quickly respond to customer needs.

The pandemic also required QLeave to provide staff with the ability to work from home, which was previously not possible because of our legacy systems. Our IT team were exemplary in their ability to efficiently procure and implement new telephone software, laptops, headsets and monitors, while providing support for people working remotely.

To maintain the long-term sustainability of the scheme, QLeave's levy rate increased to 0.35% on 1 July 2020. QLeave also commenced a range of new compliance activities, including early engagement and education of levy payers to take stronger action and ensure levies are paid. These activities have not only helped create a level playing field for all in the industry but have led to a \$16.67 million increase in levies collected, contributing to the long term sustainability of the scheme.

In addition to the portable long service leave levy, QLeave also collects the Building and Construction Work Health and Safety levy, and the Construction Skills Queensland levy. The levies collected by QLeave contribute to retaining and growing the capabilities of workers in the building and construction industry, in line with the Queensland Government objective to unite and recover from the effects of the COVID-19 pandemic.

The replacement of QLeave's Customer Relationship Management (CRM) system for industry workers and employers continued throughout the year. The first phase of the new system was released in March 2021. As many of our staff continue to regularly work from home, the new system has helped to ensure the integrity of our systems, whether they are being accessed in the office or at home. QLeave is continuing to work with the vendor to enhance and improve the CRM, and we will introduce a new Enterprise Resource Planning (finance) system during the 2021-22 financial year. The implementation and continued improvement of these two systems will contribute to the strategic objective of being a responsive government by delivering efficient, value-add services that make entitlements easily accessible.

To protect our data, build the trust of our members and prevent cybercrime, an Information Security Management System (ISMS) for QLeave was implemented in September 2020. QLeave leveraged trusted cybersecurity expertise to complement our internal capacity and capability resources to deliver ISMS attestation.



Sound governance and risk management has continued to be a focus for QLeave throughout 2020-21. The Finance Audit and Risk Management Committee provided assurance to the Board that QLeave's key objectives are being achieved efficiently.

As always, building the capability of our people so they can provide consistent and fair customer service was one of QLeave's key strategic priorities. Throughout 2020-21, QLeave staff participated in industry awareness activities to support MATES in Construction, Prostate Awareness Australia and women in construction. These activities helped staff to develop a deeper understanding of the industry in which our members operate, and to appreciate some of the challenges they may face. QLeave's revised values were embedded so staff have a clear understanding of the importance of their contribution to the team, and feel recognised. QLeave has also commenced a renewed focus on training that will continue into the new financial year to ensure we are fair and consistent in our decision making and providing clear information to our customers.

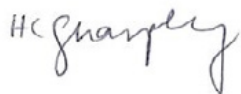
On 1 January 2021, QLeave was charged with responsibility for administering a third Portable Long Service Leave scheme for the community services industry. A separate annual report prepared by the Community Services Industry (Portable Long Service Leave) Authority outlines the new functions for this authority. It is anticipated that efficiency and effectiveness benefits will be achieved across all three schemes administered by QLeave.

We would like to express our appreciation to our Minister, the Honourable Grace Grace MP, and the Queensland Government for continuing to ensure legislative provisions support long service leave benefits for the industry now and in the future.

We are also appreciative of the ongoing efforts and contributions of staff, management and board members. The Board and management remain committed to improved administrative efficiency, scheme sustainability and excellence in service delivery.



**Peta Irvine**  
CHAIRPERSON



**Helen Sharpley**  
ACTING GENERAL MANAGER

# OBJECTIVES AND PERFORMANCE INDICATORS

GOALS	STRATEGY	MEASURES	ACHIEVED
We contribute to our Future State - Advancing Queensland Priorities to:	→ create jobs in a strong economy by exploring ways to support the industries we serve that will support job creation and align with responsible administration of the schemes	→ improve service consistency increasing first call resolution as a proportion of total calls by 5%	→ in progress – QA framework implemented and training developed
	→ be a responsible Government by delivering efficient, effective value-add services that make entitlements easily accessible for all members	→ reduce manual transactions by 50%	→ in progress – new system workflows implemented
Building organisational sustainability	→ understanding and influencing claims so that we manage the schemes responsibly	→ use data to ensure that the decisions we make support long-term sustainability of the schemes leading to a 5% increase in the efficiency of compliance activities and a 5% reduction in long term claims forecast	→ 300% increase in investigations resulting in increased levies revenue and efficiencies
	→ understanding and influencing levies so that we collect the levies that are intended under our legislation	→ predict claims using a forecasting model by June 2021	→ actuarial report assumptions reviewed. Actuarial report provides claim forecasts
	→ building core competencies to a level that can compete in a market-driven environment	→ achieve 95% completion of strategies in the compliance plan for the specified period	→ completed
	→ actively increasing confidence of our levy payers and employers in QLeave	→ 10% increase in positive response from clients surveyed who indicate that they are adequately informed, updated and consulted by QLeave	→ not achieved. Due to the COVID-19 response, the proposed surveying of clients is yet to be developed
Maintaining a trustworthy brand	→ treating our data as an asset to be protected and valued	→ ISMS implemented by 31 October 2020	→ ISMS implemented by deadline
	→ acting ethically, fairly and equitably in all dealings with our stakeholders		
	→ incorporating feedback loops that are acted on to generate and implement new ideas to achieve stakeholder valued outcomes	→ 100% of performance development plans incorporate KPIs and adoption of values	→ 100% of PDPs incorporate KPIs and adoption of values



# CUSTOMER SERVICE DELIVERY

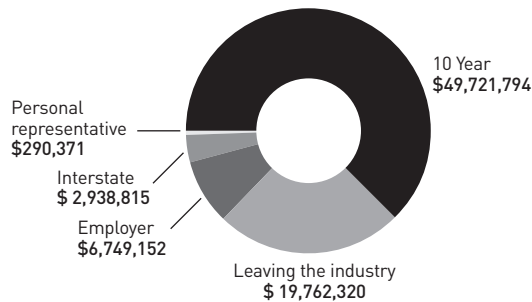
PERFORMANCE MEASURES	2016-17	2017-18	2018-19	2019-20	2020-21
Workers registered	303,578	337,854	367,414	298,041	<b>321,326</b>
Employers registered	18,037	18,621	20,421	22,044	<b>23,022</b>
Number of claims paid	14,894	14,532	19,146	17,558	<b>10,554</b>
Value of claims paid	\$98.6M	\$97.8M	\$126.8M	\$116.9M	<b>\$69.8M</b>
Capped weekly rate of pay	\$1,980	\$1,980	\$1,980	\$1,980	<b>\$1,980</b>
Missing service requests	1,667	2,117	3,060	4,431	<b>1,803</b>
Worker claims – % online	88.2%	89.0%	87.4%	92.6%	<b>78.9%</b>
Employer reimbursement – % online	89.6%	87.8%	82.8%	93.7%	<b>90.3%</b>
Worker service returns – % lodged online	94%	92.6%	93.3%	92.7%	<b>92.6%</b>
Levies collected	\$84.2M	\$76.6M	\$75.9M	\$90.7M	<b>\$126.9M</b>
Works notified	35,519	35,078	30,351	29,307	<b>43,189</b>
% Works notified online	87%	98%	94%	100%	<b>98%</b>

VALUE OF CLAIMS PAID TO DATE (\$ BILLION)

**\$1.137b**

(Since inception)

VALUE OF CLAIMS PAID IN 2020-21







We are committed to delivering services that exceed the expectations of our customers and stakeholders. The client services team continued to respond to clients through multiple channels, providing support to employers and workers in relation to eligibility, industry service and claims.

A robust quality assurance framework is progressing to achieve the right outcome for all stakeholders, drive efficiency through insights and reduce costs through minimal rework. Our client service leadership team attended specialised training on quality assurance frameworks in a call centre environment this financial year. By using data the team are able to better respond to peak call volumes throughout the year to ensure we are delivering efficient services that make entitlements easily accessible for our members.

In 2020-21 we received over 66,300 calls where we focused on building rapport with our customers to maintain effective customer relationships, satisfy members' needs, and make entitlements easily accessible. We continued to undertake business activities in accordance with our legislative responsibilities. In this reporting period, activities included ad-hoc and annual surveying of our customers (workers, employers and levy payers), ensuring entitlements were accessible for workers, levies were paid and employers were compliant.

Through reviewing and monitoring records, our client service team ensured that workers facing potential cancellation of their membership could access their entitlements, that interstate workers were not at risk of losing their entitlements, and that inconsistencies in member data were rectified to prevent confusion about entitlements and registrations.

To inform future focus areas for training and business planning, we seek customer feedback at every opportunity.

In 2020-21 we received survey feedback from over 3,600 workers, employers and levy payers which advised:

- 92% of workers were satisfied with the online claims process
- 90% of workers were satisfied with how long it took their claim to be paid
- 88% of levy payers found it easy to pay the levy online
- 88% of levy payers who contacted QLeave, regarding notification and payment, were satisfied with the service they received
- 85% of customers who phoned QLeave were satisfied with the service they received
- 91% of employers were satisfied with the online return process

Long service leave payments were made to:

- 8,611 registered workers
- 1,775 registered employers who received reimbursement of long service leave benefits paid directly to their employees under the *Industrial Relations Act 2016*
- 7 interstate portable long service leave schemes in reimbursement of claims paid to workers for work performed in Queensland.

In 2020-21 we continued the implementation of our new business systems. This included updating our online services for customers, introducing a new Customer Relationship Management (CRM) solution (known internally as CONNEXT), and improved content management. CONNEXT and our new online services went live in March 2021. Our online services are now enabling employers to meet their obligations online and for workers to self-manage their membership.

QLeave continued to process financial hardship claims until the legislative provisions ended on 31 December 2020. From 26 May to 31 December 2020, we paid a total of 138 financial hardship claims to the value of \$1,379,515.

Due to economic pressures faced by some workers as a result of COVID-19, QLeave dealt with 16 financial hardship applications that workers lodged through the Queensland Industrial Relations Commission.



# COMPLIANCE REPORT

To ensure a level playing field within industry, QLeave uses a variety of compliance tools to ensure employers and levy payers meet their legislative obligations. We primarily achieve this through industry education, regular communications and by conducting compliance investigations.

To ensure the accuracy of building and construction work notifications, our compliance efforts focused on two key industry stakeholders this year: Department of Transport and Main Roads and local government. Throughout the year we provided education to industry participants about the notification and payment of levies to ensure state-wide consistency.

QLeave undertook a number of data driven investigations into building and construction work where the final (actual) project cost varied significantly from the initial (estimated) cost of work notified to QLeave. This process led to the collection of an additional \$16.67 million in portable long service leave levy. This includes instances where no notification or under notification occurred and late interest charges were incurred.

A new compliance strategy was developed that sets the direction for QLeave to deliver on its regulatory functions and actions over the next three years. The strategy explains how we will undertake compliance activities in a coordinated, efficient and streamlined manner, applying our resources where they will have the greatest impact. Compliance initiatives were complemented by ongoing education and awareness programs to maximise the industry's understanding of their legislative requirements.

An internal Compliance and Eligibility Committee was established by the General Manager to address areas of complex statutory interpretation.

The Committee met five times to establish clear principles that can be applied when interpreting the Act. The Committee also assisted in the development of policies and procedures to guide QLeave's front-line staff when determining eligibility.

In 2020-21, we processed 1,803 missing service requests for workers whose employers had not recorded their eligible service. This process also identified 422 unregistered employers who were not complying with their obligations.

QLeave dealt with four court matters where workers lodged an application for external review of QLeave's decision about their service with an Industrial Magistrate. For three of these matters, QLeave's decision was upheld. One matter was withdrawn by the applicant as the worker and QLeave negotiated a suitable outcome acceptable to both parties.

## INTERNAL REVIEW

QLeave's enabling legislation provides a framework for people impacted by a decision made by QLeave to seek an internal review of that decision. This process is known as a 'reconsideration'.

This year, QLeave processed 405 reconsideration applications under the Act. Of these, 82 decisions were upheld, 160 were overturned, 142 are being further reviewed through an internal audit of the reconsideration function and 21 are yet to be processed and completed. QLeave uses the data from these reconsiderations to affect business improvement in its processes to reduce reconsiderations in the future.

# ENGAGING WITH STAKEHOLDERS

QLeave is focused on developing a strong, credible brand that is recognised within the building and construction industry as being accessible and fair.

In 2020-21, QLeave engaged with stakeholders across Queensland to provide education, support and promote scheme awareness. Our engagement activities included presenting at industry training sessions, participating in webinars, visiting construction sites, supporting industry awards and hosting trade displays at stakeholder events.

We shared information through industry partners by contributing to print and digital publications distributed by organisations such as Master Builders Queensland, Housing Industry Association, Master Plumbers' Association, Master Concreters Australia, Electrical Trades Union, Local Councils, Urban Developers Institute and the mining and energy industries.

## DIGITAL ENGAGEMENT

Due to the ongoing effects of COVID-19 on travel and events, we increased our focus on digital engagement to service stakeholders across Queensland. We shared information about QLeave with employers, workers and levy payers through webinars hosted by our industry partners. Where possible, we visited regional centres in Queensland to attend building sites and meet with key stakeholders in the region.

Additional video resources were created for use by stakeholders, including Master Builders Queensland and TAFE SkillsTech. Videos to help workers and employers transact with us online were also published to QLeave's YouTube channel. In 2020-21, our video resources were accessed over 7,800 times.

## WEBSITE VISITS

The QLeave website is the primary communication channel for engaging with our customers and industry stakeholders. In 2020-21, visits to our site exceeded 606,000. Nearly 67% of these visits were to access QLeave's online services.

Over 59% of users accessed the website via their desktop while mobile traffic now accounts for approximately 38% of all visits to the website. The continued shift to mobile remains front of mind when constructing website content and determining service delivery.

## EARLY EDUCATION PROGRAM

QLeave has continued our arrangement with TAFE SkillsTech to promote the scheme to building and construction industry apprentices and trainees. Through this relationship, our "introduction to QLeave" video is shown in apprentice classes. In addition, we delivered face-to-face presentations to 35 classes during the year.

This early engagement with apprentices establishes an important relationship with these workers as they begin their careers in the industry. Our focus for 2021-22 will be securing these opportunities throughout regional centres.

## SITE VISITS AND EVENT SPONSORSHIP

During 2020-21 we visited building and construction sites across Queensland, meeting with industry workers and assisting with enquiries related to claims, missing service and eligibility.

We also continued to generate scheme awareness through the sponsorship of industry events. Event attendance was limited at times during 2020-21 as a result of COVID-19 restrictions, so we leveraged existing partnerships to support events digitally where possible.



# FINANCIAL PERFORMANCE

Financially, 2020-21 saw the scheme solidly recover from the pandemic-driven investment losses experienced during 2019-20.

## SUMMARY OF FINANCIAL PERFORMANCE AND POSITION

QLeave returned a net addition to fund \$176 million and a balance sheet equity position of \$210.8 million during the 2020-21 financial year.

Total income of \$326.8 million was 365% higher than 2019-20. The increase was mainly due to the net fair value gain on investments of \$104.9 million and additionally income from investments of \$91.3 million; driven by the rapidly recovering US & Australian economies, helped along by significant fiscal and monetary stimulus.

The total expenditure of \$150.8 million was 14.7% lower than 2019-20. The decrease was mainly due to a 17.7% lower portable long service leave scheme benefits expense than last year.

The statement of financial position reflects QLeave's sound financial status with a net asset position of \$210.8 million at the end of the financial year. This indicates that QLeave has an appropriate level of assets to cover all liabilities including future claims. The scheme is now 116.7% funded.

Investment markets should continue to perform well during 2021-22, notwithstanding expected intermittent lockdowns; which may prove to hinder continued economic growth until sufficient levels of vaccine rollout is achieved.

To support industry workers experiencing financial hardship as a result of COVID-19, the Queensland Government legislated amendments to its enabling legislation, allowing workers early access to their long service leave entitlement. This legislated change remained in effect for the period 26 May 2020 to 31 December 2020 and did not materially impact the financial statements during 2020-21.

## VALUE FOR MONEY

QLeave has estimated that the cost to serve is \$23.31 per client as at 30 June 2021, which is an increase from \$21.68 in 2019-20. The increase is attributed to a 15% increase in administration costs of \$1 million due to higher costs involved in the development of the new customer relationship management system (CRM); offset by a 7% increase in registered members and employers of approximately twenty-four thousand during the financial year.

QLeave's cost to serve per client remains the lowest in the nation, when compared to other jurisdictional portable long service leave schemes.

## STATEMENT OF COMPREHENSIVE INCOME

Classes of transactions, account balances or disclosures	Change	Key drivers
Portable long service leave levies \$126.9m	↑ <b>\$36.2m</b> 40%	Increase due to the increase in the levy rate and the increase in building approvals.
Income from investments \$91.3m	↑ <b>\$64.4m</b> 240%	Strong performance of markets in 2021.
Net fair value gain on investments \$104.9m	↑ <b>\$154.7m</b> 311%	Strong performance of markets in 2021.
Other revenue \$3.6m	↑ <b>\$1.1m</b> 47%	Increase mainly due to the commencement of fees charged to the Community Services Industry.
Employee expenses (\$6.2m)	↓ <b>\$0.1m</b> 3%	Movement is immaterial.
Supplies and services (\$4.1m)	↑ <b>\$1.6m</b> 64%	Higher costs incurred in the development of the CRM project.
Fund management fees (\$6.4m)	↑ <b>\$0.3m</b> 5%	Increase in line with the increase in assets under management due to strong performance of markets in 2021.
Portable long service leave scheme benefits (\$132.7m)	↓ <b>\$28.6m</b> 18%	Movement reflects the movement in the scheme provision since 2020.

## STATEMENT OF FINANCIAL POSITION

Classes of transactions, account balances or disclosures	Change	Key drivers
Total current assets \$1,214m	↑ <b>\$238m</b> 24%	Increase in fair value for investments.
Current provision and non-current provision for scheme benefits \$1,005m	↑ <b>\$63m</b> 7%	\$133m increase in provision offset by \$70m claim payments for the year.
Net assets \$211m	↑ <b>\$176m</b> 503%	Increase in fair value of investments has been greater than the increase in the provision for scheme benefits since 2020.



## **EXPLANATIONS OF SIGNIFICANT BUDGET VERSUS ACTUAL VARIANCES**

Investment income is \$107.9 million ahead of budget due to a higher than expected gross return of 20.5% (budget 12%), driven by the rapidly recovering US & Australian economies, helped along by significant fiscal and monetary stimulus.

Portable long service leave levies is ahead of budget by \$28.8 million due to higher than expected leviable building activity across the housing and other residential sectors, driven by government stimulus.

Supplies and services are under budget by \$818,000 due to lower than expected capital outlays and software support requirements following favourable vendor negotiations; and additionally COVID-driven underspend on stakeholder engagement and compliance activities, with red-zone lockdowns reducing travel and staff costs.

The increase in portable long service leave scheme benefits is over budget by \$21.1 million due a higher than expected increase required to the provision for scheme benefits per the recent actuarial review, driven by an increase in membership.

## **ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM UPGRADE**

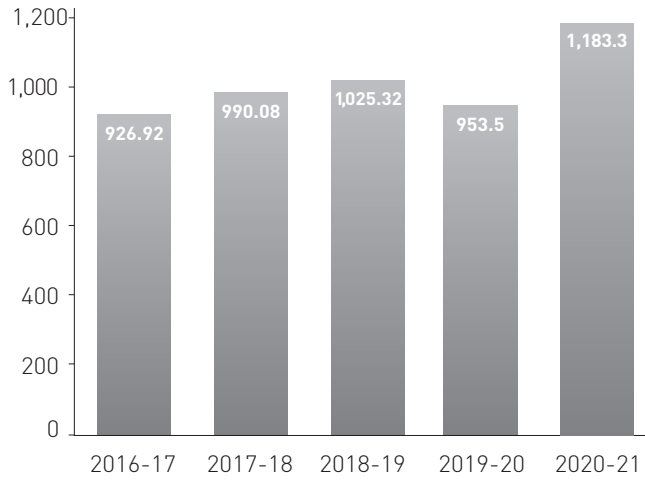
QLeave commenced a project in 2021 to upgrade its ERP system due to the recent communication from Microsoft deeming the current ERP system, NAV2015 to be 'end of life software' with limited Microsoft support from January 2020.

QLeave has completed the discovery and design phase of this upgrade which presents an opportunity to review finance processes to establish better practice financial activities and maximise the automation capability of the upgraded software; and realise efficiencies. It is anticipated that this project will be completed during 2021-22.

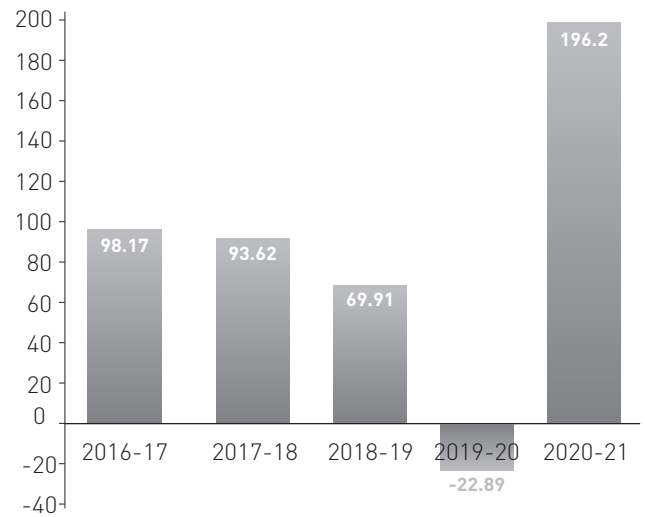


## INVESTMENT MARKET PERFORMANCE

Funds invested in \$Millions 2016-2021

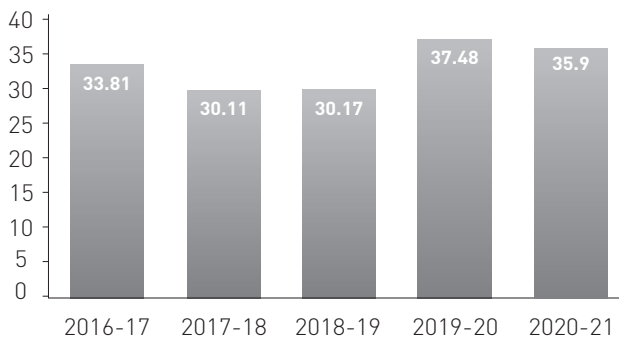


Investment Returns in \$Millions 2016-2021



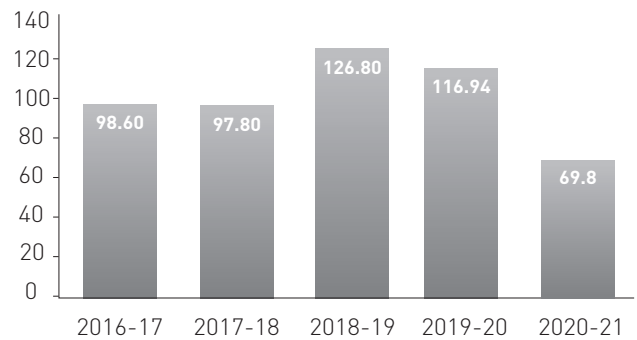
## BUILDING ACTIVITY

Value of project levy in \$Billions 2016-2021



## LONG SERVICE LEAVE CLAIMS PAID

Value of claims paid in \$Millions 2016-2021



# INFORMATION TECHNOLOGY AND INNOVATION

QLeave's technology and information foundations are dependable and data driven. Our enterprise solutions meet our business needs, with opportunities to provide greater business value leveraged and innovation central to our approach. QLeave's Information Communication and Technology (ICT) Strategic Plan sets the strategic imperative for our ongoing journey to become a digital first organisation.

Our technology must reliably enable our business activities, just as our information must be reliable to inform decisions. An enterprise approach to technology and information solutions allows us to operate more cohesively and efficiently.

The Information Technology and Innovation Steering Committee (ITISC) provides governance and endorses the transition and modernisation of QLeave's technology and information, while also helping us realise our vision for the future.

In 2020-21 the following ICT initiatives and activities were undertaken:

- legacy core systems and associated databases were migrated to a Microsoft Dynamics 365 CRM platform and Cloud databases to improve security and reliability.
- a new project to upgrade QLeave's Enterprise Resource Planning (finance) system. The discovery and design phase was completed for implementation of the upgrade, which is expected next financial year.
- a new employer registration system and service return database for the new Community Services Industry scheme. This enabled registration and invoicing for the first quarterly return period. It also facilitated workers registered, wages payable and levy payable reporting.
- preparing, responding and reviewing vendor technical requirements for QLeave's key ICT projects. This included technical assistance with integration and data migration, best practice for complex systems implementation with the vendors and via the projects steering committee membership.
- commenced analysis of options to integrate QLeave's existing systems with its recordkeeping eDRMS.
- continued QLeave's defence-in-depth approach to cyber protection with enhancements to security systems including the finalisation of the QLeave Information Security Management System (ISMS) project. QLeave leveraged trusted cybersecurity expertise to complement its internal capacity and capability resources to deliver ISMS attestation to the Cyber Security Unit by September 2020 and external vendor penetration testing in March 2021.
- during the mandatory annual Information Security reporting process, QLeave's General Manager attested to the appropriateness of the information security risk management within QLeave to the Queensland Government Chief Information Security Officer, noting that appropriate assurance activities have been undertaken to inform this opinion and QLeave's information security risk position.
- completed the annual ICT disaster recovery testing as part of QLeave's Business Continuity testing and reviewed controls across QLeave and across services through a risk-based approach. Improvements included uplift of infrastructure, vulnerability scanning, multi-factor authentication, regular information alerts and an ongoing 'phishing' training campaign for QLeave staff to raise awareness of cyber security risks.
- engaged QLeave's internal auditor to work with management to develop a business impact analysis which complements QLeave's Business Continuity Plan.
- enhancements were made to ICT resources and infrastructure to enable QLeave staff to quickly and effectively transition to work from home arrangements as we responded to ongoing COVID-19 restrictions. This involved use of a range of mobile devices, including laptops and soft phones for the contact centre, the use of cloud-based software services and the expansion of digital workflow approval processes. This transformation was achieved within the context of a robust cyber security framework.
- continued to develop business intelligence reporting dashboards, reviewed reporting metrics and criteria for accurate reflections and improved data quality and processes.



- developed a Data Strategy to identify data as a critical asset that enables informed decision making across the organisation. QLeave identified four key areas to focus on in maturing the organisation's data capabilities and progressing to the next stage of maturity: data, people, process, and technology.
- developed strategic objectives measurement reporting for the Boards, and established a Data Roadmap and Data and Reporting Enablement Group to build capability in the tools, and in our people, to become a data driven organisation.

The ICT environment at QLeave has changed remarkably in the last year, which necessitated the need for our team to increase staff in order to handle support cases, project work and liaise with service providers to ensure downtime is kept to a minimum. The goals included in our ICT and data strategies and roadmaps were developed to modernise and integrate ICT Systems across QLeave, raise information security capabilities and awareness, provide data and analytics for decision making, enable remote and mobile work, ensure business continuity, sustainability and consistent user experience.

The ICT Steering Committee meets quarterly to ensure that the ICT and data functions within QLeave are being progressively reviewed and addressed.

## INFORMATION PRIVACY

QLeave is committed to protecting the personal information it holds in accordance with its obligations under the *Information Privacy Act 2009* (IP Act). The IP Act regulates how personal information is collected, stored, used and disclosed by all Queensland Government agencies and its contracted service providers.

In providing our services, we ensure the personal information entrusted to us is managed in a fair, secure and ethical manner. The information privacy principles were promoted to staff during Privacy Awareness Week.

To ensure we meet privacy requirements, QLeave established a process as part of our quality assurance framework to ensure that staff undertake suitable identification checks when servicing clients over the phone.

A checklist was developed to provide guidance to staff about what they need to consider when undertaking key functions and making decisions. This checklist includes a requirement for staff to check that they have authority to deal with the person who is making an enquiry with QLeave.

QLeave also reviewed all client representative contacts to ensure that contact details are current and correct.

## RECORDS MANAGEMENT

QLeave continued its commitment to quality information and record management through the provision of new, risk-based policies and practices using technology to support sound decision making, accountability, and compliance, reducing the reliance on paper records through automation and digitisation.

Formal assignment of records management monitoring and advice is performed by QLeave's Information Systems Coordinator. Weekly communication is sent to QLeave's management team about how many records have been recorded in our electronic records management system, and points to note on how records management can be improved. Super Users established within QLeave continue to communicate with and support staff about the agency's records management function and activities.

QLeave is committed to meeting its responsibilities under relevant legislation, Queensland State Archives policies and best practice methods as outlined in applicable International Standards. This is achieved through implementation of a number of policies including:

- Records Management Policy
- Records Governance Policy
- Digitisation and Disposal Policy
- Digital Recordings and Images Policy
- Information Asset Custodian Policy



Micro Focus Content Manager, an electronic document and records management system, is used by QLeave to effectively manage and secure its administrative records. It also uses several business management systems to capture, secure and manage its core business.

Disposal of records is conducted by using the current retention and disposal schedule authorised by the State Archivist and QLeave's approved process. Record of disposal is captured by the completion of disposal approvals, compliance declarations, maintaining a disposal register and the issuing of a destruction certificate when carried out by a third party.

In 2020-21 the following initiatives and activities were undertaken:

- visits by stakeholder engagement and compliance officers captured to ensure QLeave meet their record keeping obligations relating to children and vulnerable persons
- internal awareness training in records management for all staff
- introduction of Content Manager Super Users Group to train staff in their recordkeeping obligations and use of the system.
- inclusion of a dedicated Records Management section on QLeave's new intranet containing policies, procedures, tips and training videos to assist staff with recordkeeping.
- project completed on identifying folders in the content management system that are no longer required and have met the relevant retention period.
- project commenced to match the status of worker and employer folders in the business system against the status in the records management system.
- QLeave's increased usage and acceptance of the system for management of business documents and records continues to ensure effective and efficient management of all aspects of recordkeeping. To achieve this, weekly statistics are provided to QLeave's management team to show how many records are being registered by each business area.

## **RECORDS MANAGEMENT FOR OTHER SCHEMES**

QLeave administers the contract cleaning industry and the community services industry schemes using existing information and recordkeeping systems for electronic document and records management to achieve compliance with the *Public Records Act 2002*, and Records Governance Policy.

# GOVERNANCE

## INTERNAL AUDIT

QLeave's internal audit is undertaken by BDO. The internal audit helps QLeave accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of systems of internal control.

BDO reviews QLeave's operations to assure the Board that QLeave's systems are effective, efficient and economical for the administration of portable long service leave schemes.

BDO consults with the external auditor to discuss their respective responsibilities as required under applicable legislation including audit scopes, plans and timetables.

This year, BDO completed the following internal audits and reviews:

- Health check review of QLeave's core system replacement project
- CFO compliance audit
- Business impact analysis
- Fraud and corruption risk assessment
- Supporting the Board in reviewing its risk appetite statement

## RISK MANAGEMENT

The Board and QLeave management emphasise the importance of effectively managing risk to sustain the financial strength of QLeave, to provide financial certainty to members now and into the future.

We understand that effective risk management involves identifying the uncertainties facing QLeave and the opportunities to benefit from them, or reduce their impact on the achievement of strategic objectives. Uncertain market conditions have driven QLeave to shore up its approach to risk for the benefit of members.

As a result, the Board and management have committed to increasing their focus on developing a robust approach to developing risk appetite, strategic and operational risk management, and creating a culture of risk awareness at all staff levels. In particular, the Board has undertaken a review of QLeave's risk appetite to better set the levels of risk the Board is willing to accept, and the highest level of risk QLeave must operate within both in terms of its operations, and its investment strategy.

Management and the Board (through the Finance Audit and Risk Management Committee) set clear expectations for enhanced reporting and responsiveness to movements in risk levels. These expectations have increased QLeave's attention on both financial and non-financial risks and reporting.

QLeave reviewed and enhanced its risk management framework and introduced new risk assurance checklists which are completed by all lines of defence within QLeave's risk management framework including:

- Board
- Financial Audit and Risk Management Committee
- Risk Management Committee Chair
- External and Internal Auditors
- Risk Manager
- Risk Owners

The quality of QLeave's risk management approach and decision making is driven by the Queensland Public Service values – customers first, ideas into action, unleash potential, be courageous and empower people.



QLeave's internal auditor completed a review of QLeave's fraud and corruption controls during the year. Subsequently, QLeave established a new fraud and corruption risk register and has implemented a number of controls to prevent fraud and corruption risks.

To inform QLeave's fraud and corruption risk management, QLeave established an issues management framework which includes a mechanism for all staff within the organisation to register an issue online which is then escalated to management. Results of the issues management framework are reviewed at regular leadership and Risk Management Committee meetings, which are then reported to the Board's Financial Audit and Risk Management Committee.

QLeave has reviewed and updated its Fraud and Corruption Control, issues management, Public Interest Disclosure, complaints management, risk management and Declaration of Interest policy and procedures and provided the relevant training to staff.

### **COMPLAINTS HANDLING**

QLeave aims to resolve complaints quickly at the frontline or the point where the complaint is received. If the complainant is dissatisfied with the outcome of their complaint they may request an internal review. If a complainant remains dissatisfied with the outcome after internal review, they may seek an external review. QLeave uses formal, documented processes to manage complaints and continues to capture, monitor and report on complaints. This will ensure QLeave achieves its objectives to:

- manage complaints in a consistent, systemic and responsive way
- mitigate risk by identifying trends, causes and implementing effective solutions
- empower staff to resolve complaints promptly, effectively and efficiently.

### **HUMAN RIGHTS IN COMPLAINTS MANAGEMENT**

With the commencement of the *Human Rights Act 2019* in 2020, QLeave continued to ensure that human rights considerations form part of decision making and complaints management at QLeave. Complaint handlers are required to identify and consider all relevant human rights when assessing and responding to complaints.

QLeave respects human rights and gives proper consideration to human rights before making a decision. Every decision, policy or Act of QLeave must be assessed as being compatible with human rights.

QLeave reviewed its reconsideration (internal review) process to ensure that human rights considerations form part of the decision making for this function.

### **RECORDKEEPING**

The minutes and documentation of each board meeting are recorded, and copies are provided to Queensland State Archives, under the provision of the *Public Records Act 2002*.

### **DIRECTORS OF THE BOARD**

QLeave is governed by a board of directors (the 'Board') appointed by the Governor-in-Council. The Board reports to the Honourable Grace Grace MP, Minister for Education, Minister for Industrial Relations and Minister for Racing.



The role of the Board includes:

- responsibility for QLeave's commercial policy and management
- determining the strategic direction
- ensuring QLeave achieves, and acts in accordance with, its corporate goals and carries out its corporate objectives outlined in its corporate plan
- monitoring financial performance
- managing strategic and operational risks
- providing advice and recommendations to the Minister on issues affecting the provision of long service leave in the industry and the operation of the Act
- ensuring that QLeave performs its functions in an appropriate, effective and efficient way.

The Board operates under the provisions of the Act and other governing legislation and within the scope of the Board Guidelines.

### COMPOSITION OF THE BOARD

The Board is appointed for a term of three years and directors are eligible for re-appointment. The term of the current Board commenced on 5 September 2019 and expires on 30 June 2022.

The Board consists of eight directors:

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

The relationship between the Board and QLeave's executive management is one of direct, open communication and full disclosure of relevant information relating to QLeave's financial performance.

Board directors are selected for their depth of knowledge, expertise and experience in either finance and investment, law, corporate governance and/or the building and construction industry. The Board is proactive in identifying factors affecting the building and construction industry, with a view to achieving a balance between the interests of workers, employers, stakeholders and the long-term sustainability of the Scheme.

Directors are encouraged to undertake professional development through the Australian Institute of Company Directors and other development avenues. Directors' professional development is focused on enhancing existing skills and ensuring the Board maintains a high standard required by best practice corporate governance frameworks.

The current Board comprises the following directors:

- Chairperson:** Peta Irvine  
**Deputy Chairperson:** Melanie Woodward  
**Employer Representatives:** Penelope Cornah, Damian Long, Sue-Ann Fresneda  
**Worker Representatives:** Stephen Baker, Peter Ong, Arturo Menon



## FOCUS FOR THE BOARD 2020-21

The major challenges and activities for the Board for the 2020-21 year were to:

- ensure continued support that enabled QLeave to extend assistance to building and construction workers impacted by the COVID-19 pandemic
- support the legislative change that allowed relaxation of provisions of the Act for workers experiencing financial hardship as a result of the COVID-19 pandemic
- consider alternative avenues to ensure sufficient working capital that might have been required to meet financial hardship payments as a result of the COVID-19 pandemic
- actively manage the investment portfolio to prevent realisation of investment losses due to continuing market volatility
- undertake a full review of QLeave's Investment Strategy in conjunction with Queensland Investment Corporation, QLeave's fund managers, and an external investment advisor
- engage an external investments advisory service
- manage the actuarial position to ensure sufficient funds and adequacy of the levy rate
- ensure the Internal Audit Plan and associated frameworks appropriately monitored QLeave's internal controls to ensure they remain effective and adequate to minimise risk
- ensure any findings and recommendations of the Internal and External Audit functions are addressed by QLeave Management in a timely manner
- endorse the annual budget prior to seeking Ministerial approval
- review and endorse the wage rate for long service leave claims prior to seeking Ministerial approval
- endorse the financial statements for Queensland Audit Office certification
- review QLeave's tangible and intangible assets
- encourage development in workplace culture and workforce capability
- continue the annual work program – finance, cyber security, compliance, service delivery
- revisit scheme eligibility to ensure current criteria were adequate and appropriate.

The Board attended a number of workshops to reinforce skills and develop capability. Topics included:

- board governance and responsibilities of board directors
- development of the Board's risk appetite statement with QLeave's internal auditors
- development of the risk appetite for investments in preparation of the review of the Investment Strategy, undertaken with an external investment advisory service.

## REMUNERATION

The Board is classified as a Regulation, Administration and Advice – Level 3 category body under the Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies (Remuneration Procedures). Directors receive annual remuneration.

## BOARD PERFORMANCE ASSESSMENT

The Board directors undertake an annual Board performance evaluation to highlight the achievements throughout the year and identify opportunities for improvement. The evaluation is a structured self-assessment process that also allows individual directors to review their own performance. The outcomes of the evaluation are discussed in an in-camera session led by the Chairperson, to identify the strengths and development requirements of board operations, review and measure QLeave's progress towards its goals, training requirements and open channels of communication.



## FINANCE AUDIT AND RISK MANAGEMENT COMMITTEE

The Board has established the Finance, Audit and Risk Management Committee which acts in an advisory capacity to the Board. The committee supports the work of the Board in fulfilling its corporate governance and oversight responsibilities. The aim of the committee is to improve the efficiency of the Board by delegating responsibilities to the committee, where greater attention can be given to the specified responsibilities.

The key role of the Committee is to provide reasonable assurance to the Board that QLeave's core business objectives are being achieved in an efficient and economical manner, with an appropriate framework of internal control, risk management and financial controls.

The Finance, Audit and Risk Management Committee comprises Melanie Woodward (Chairperson), Penelope Cornah, Damian Long, Peter Ong and Arturo Menon.

The committee plays an important role with regard to the integrity of QLeave's financial information and system of internal controls and encompasses the following areas:

- External audit and financial reporting
- Internal audit functions
- Risk management and internal controls
- Compliance with performance management framework
- Compliance with legislative and regulatory requirements
- Review the Board's Investment Strategy
- Monitor the performance of QLeave's investments in line with the Investment Strategy
- Review and monitor the performance of QLeave's funds manager.

The committee members agreed to increase the number of committee meetings to provide concentrated focus and oversight to the investment portfolio, following the pandemic-driven market downturn in 2020 and the current market volatility, which could adversely impact the scheme's investment funds and long term sustainability.

The Authority's Internal Audit function is undertaken by an external provider, BDO. The Authority's External Audit function is undertaken by an external provider, William Buck (QLD) as a contract auditor for the Queensland Audit Office. Both external providers report to the Board through the Finance, Audit and Risk Management Committee.

The Committee's compliance with its reporting obligations is provided in regular reports to the Board, under Section 30(5) of the *Financial and Performance Management Standard 2019*.

During the year, the Finance, Audit and Risk Management Committee undertook:

- oversight of the external audit process and financial statements
- oversight of the way in which the Authority recognises revenue and leases
- oversight of the Internal Audit program
- oversight of QLeave's risk management framework
- oversight of the performance of QLeave's investments
- monitoring of Work, Health and Safety, major projects, key breaches and complaints.



## **BOARD SECRETARIAT**

The Board Secretariat provides professional support services to the General Manager, and governance Boards for QLeave including:

- arranging and scheduling Board meetings, setting agendas, circulating papers and reports, attending and minuting meetings
- ensuring that documents presented to Boards are of a high standard to inform decision making
- accurately recording Board considerations in correspondence and minutes and realise decisions and actions arising from Board and Committee meetings.

## **ACTUARIAL REPORTING**

A full actuarial assessment is performed every year to investigate the sufficiency of the Authority's funds and the adequacy of the rate of long service leave levy, to ensure the Scheme's financial viability to perpetuity. QLeave's actuary is Mercer Consulting. Mercer Consulting works closely with QLeave's Funds Manager, Queensland Investment Corporation.

Mercer Consulting forecasts as accurately as possible, whether investment strategies will continue to generate sufficient funds to meet future commitments for long service leave payments and maintain the long-term sustainability of the Scheme.

The purpose of the actuarial review undertaken in April 2021 was to:

- examine the financial position of the scheme in relation to the long service leave entitlements accrued up to 30 June 2021
- determine the theoretical long term levy rate assuming that the scheme was neither in surplus or deficit
- recommend the future levy rate having regard to the financial position of the scheme and the funding objectives and risk preferences of the Board
- provide projections of the scheme's future financial position under a number of scenarios.

## **EXTERNAL AUDIT**

The external audit function is undertaken by William Buck (QLD) as a contract auditor for the Queensland Audit Office. The external audit program and timetable are presented to the Finance, Audit and Risk Management Committee in April for endorsement and referral to the Board for approval. The findings, recommendations and audited financial statements are presented to the Committee in August for endorsement. The audited financial statements are referred to the Board for approval and Queensland Audit Office for certification.

## **RECORDKEEPING**

The minutes and documentation of each board meeting are recorded and copies are provided to Queensland State Archives, under the provision of the *Public Records Act 2002*.



# DIRECTORS OF THE BOARD

## → PETA IRVINE, MBA, BA (Hons), DipFinPlan, DipNSL, FAICD - CHAIR

Ms Irvine has a wealth of experience in strategy development and alignment, governance and risk, marketing, APRA-regulated entities, corporate and financial performance, investment and insurance, board performance and culture.

Ms Irvine holds non-executive Board positions with TUH (Teachers' Union Health), International House College and Resolution Pathways and also has a number of committee positions with these organisations. Ms Irvine was a non-executive director of Intrust Superannuation Fund for 10 years and was Chair of a number of committees.

Ms Irvine is currently the Chief Executive Officer of Local Government Managers Australia Qld Inc. Previous positions include General Manager Accommodation, Australian Hotels Association and management roles in the Passenger Transport Division of Queensland Transport.

Ms Irvine holds an MBA, Bachelor of Arts (Hons), Diploma of Financial Planning and Diploma of Neuroscience of Leadership and is a Fellow of the Australian Institute of Company Directors and Fellow of the Institute of Management and Leadership. Ms Irvine is a member of the NeuroLeadership Institute, Local Government Managers Australia and Women on Boards. Ms Irvine was appointed to the Board in 2019.

## → MELANIE WOODWARD, FCPA, FGIC, GAICD - DEPUTY CHAIR

Ms Woodward is an experienced director, chief financial officer, company secretary and risk management specialist with extensive professional experience and significant executive leadership accomplishments, with over 25 years' experience in the financial services industry sector.

Ms Woodward currently holds the position of Chief Financial Officer with Orange Sky Australia. Previously held positions include Chief Financial Officer of COSOL Australia Pty Ltd and Director Operations for Tactical Global Management Limited. Ms Woodward was awarded Chief Financial Officer of the Year in the Women in Finance Awards 2018.

Ms Woodward is also an independent director on the board of Boldbridge Group Limited.

Ms Woodward's qualifications include Fellow of CPA Australia (FCPA), Fellow of Governance Institute of Australia (FGIA) and she is a Graduate of the Australian Institute of Company Directors (GAICD).

Ms Woodward was appointed to the Board in 2019 and is the Chair of the Finance, Audit and Risk Management Committee.



→ **PENELOPE CORNAH**, DipHR, DipHosMgt, DipEventMgt CertIVTrngAssmnt, MAICD – EMPLOYER REPRESENTATIVE

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Ms Cornah is the Executive Director of the Master Plumbers' Association of Queensland (MPAQ), which is the peak industry body representing plumbing contractors throughout Queensland.

Ms Cornah was appointed as a Director of Master Plumbers' Australia Ltd in 2012 and was Company Secretary from 2016 to 2020.

Ms Cornah holds a number of roles that include Chairperson of the Service Trades Council, a statutory body that sits under the Queensland Building and Construction Commission, Director of the Services Trades College and Director of Construction Skills Queensland and was appointed to the Australian Building Codes Board as a director in 2020.

Ms Cornah is the Vice President of the National Association of Women in Construction (Queensland Chapter) and a member of the Women on Tools Committee. Ms Cornah's association with a number of organisations to support women in the building and construction industry continues to bring a balanced view to the Board.

Ms Cornah holds a number of industry related certificates and diplomas and is a member of the Australian Institute of Company Directors.

Ms Cornah was first appointed to the Board in 2016 and is a member of the Finance, Audit and Risk Management Committee.

→ **DAMIAN LONG**, BEng (Civil) (Hons), GAICD – EMPLOYER REPRESENTATIVE

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Mr Long is the Chief Executive Officer of the Civil Contractors Federation Queensland. His previous non-executive experience includes Branch President, Branch Vice President and Branch Treasurer of the Civil Contractors Federation - Queensland Branch.

Mr Long has over 30 years' construction experience in earthworks, road works, structures, residential and industrial subdivision construction and project and business management and has a wealth of experience in senior management roles in private organisations and dealing with public sectors.

Mr Long is a Director of Construction Skills Queensland (CSQ) and Chairperson of the Finance, Risk and Audit Committee (CSQ) and is also an adjudicator under the Building Industry Fairness Act 2017.

Mr Long holds a Bachelor of Engineering (Civil) (Hon) and is a graduate of the Australian Institute of Company Directors.

Mr Long was first appointed to the Board in 2016 and is a member of the Finance, Audit and Risk Management Committee.

→ **SUE-ANN FRESNEDA**, BBus, GAICD – EMPLOYER REPRESENTATIVE

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Ms Fresneda is the Director of Business Development and Membership for Master Builders Queensland.

Ms Fresneda is also a non-executive Director of Construction Skills Queensland and Construction Income Protection Limited.

Ms Fresneda's previous roles have included General Manager Operations (Qld) and Advertising Sales Director for NewsCorp and non-executive Director for Building Employees Redundancy Trust.

Ms Fresneda brings a broad range of industry experience across commercial, corporate and not-for-profit sectors and her expertise in business development and innovation are a welcome addition to the Board.

Ms Fresneda holds a Bachelor of Business and is a graduate of the Australian Institute of Company Directors.

Ms Fresneda was appointed to the Board in 2019.



→ **STEPHEN BAKER, DipSuper, Cert IVFrontlineMgt – WORKER REPRESENTATIVE**

Mr Baker is the Branch Secretary for the Australian Workers' Union (AWU) Queensland Branch and has previously held the positions of Queensland Assistant Secretary, Vice President Queensland Branch, Queensland Southern District Secretary, Queensland Vice President and is a member of the AWU National Executive.

Mr Baker holds a Diploma of Superannuation, Certificates in Frontline Management, Investment for the Superannuation Industry, Insurance for the Superannuation Industry and RG46 for the Superannuation Industry (ASIC Regulatory Guide 146 Compliance Course in relation to the provision of financial advice).

Mr Baker has undertaken the roles of Director of Labor Companies, Director of AusSafe Super Board and represented workers on various Work Health and Safety committees.

Mr Baker has a collaborative approach, a strong focus on work health and safety and the strength of people working together for better outcomes.

Mr Baker was appointed to the QLeave Board in 2019.

→ **PETER ONG, GAICD – WORKER REPRESENTATIVE**

Mr Ong's current position is State Secretary of the ETU and his role encompasses the overall management of the ETU's financial, political and industrial interests.

Mr Ong's previous roles have included Assistant State Secretary and Organiser. Mr Ong has worked for the ETU for 20 years to achieve the best outcomes in wages and conditions and health and safety for workers.

Mr Ong is a non-executive Director of the Construction Industry Redundancy Trust and the Energy Super Fund and previously the Electrogroup Training and Apprentices and is also appointed to the Ministerial Construction Council.

Mr Ong is a graduate of the Australian Institute of Company Directors and has undertaken the Trustee Director Course with the Australian Institute of Superannuation Trustees.

Mr Ong was appointed to the Board in 2019 and is a member of the Finance, Audit and Risk Management Committee.

→ **ARTURO MENON – WORKER REPRESENTATIVE**

Mr Menon is the Construction and General Division Southern Regional Coordinator with the Construction, Forestry, Maritime, Mining and Energy Union (CFMEU). Some of his responsibilities include overseeing building and construction site visits, monitoring enterprise agreement outcomes and representing the industrial interest of union members in tribunals such as Fair Work Australia.

Mr Menon has vast experience in pursuing financial stability for workers through superannuation and redundancy.

Mr Menon holds Certificates for Workplace Health and Safety and Union Recruitment and Organising.

Mr Menon is the current Chairperson of Prostate Awareness Australia (QLD)

Mr Menon was appointed to the Board in 2019.



# EXECUTIVE MANAGEMENT

The executive management team comprises the General Manager and Director Governance and Corporate Services. In 2020, the former Director Compliance and Client Services requested a voluntary redundancy which QLeave granted.

Executive Management leads QLeave's strategic, operational, financial performance, and corporate governance functions and significant projects, and ensures quality implementation of recommendations of all in-house committees, and internal and external audits. The Executive support the Board in achieving its strategic objectives and through oversight of the management of strategic and organisational risks.

The General Manager, Helen Sharpley (Acting), is accountable to the Board and to the Minister, and has overall responsibility for:

- undertaking accountable officer responsibilities as set out in State legislation
- implementing the Board's strategic plan in accordance with the government's policy objectives
- administering the Board's investment policies and strategies
- board secretariat
- providing authoritative advice to the Board, the Minister and the Government on matters relevant to QLeave
- administering the Board's investment policies and strategies
- managing the Authority within legislative and policy frameworks, maintaining a positive organisational culture
- efficient and effective administration of the three industry portable long service leave schemes: building and construction; contract cleaning; and community services
- undertaking appeals and making determinations
- facilitating government and industry liaison and providing a nexus between the Board and the organisation
- administering collection services for the building and construction industry by collecting the Work Health and Safety levy and the Construction Skills Queensland levy
- administering reciprocal arrangements with similar schemes in other states and territories.

The Director Governance and Corporate Services, Esther Blest (Acting), is responsible for:

- ensuring best practice in the operation of QLeave's business, governance, financial management, performance and reporting functions
- financial management operation of QLeave's business, governance, financial management, performance and reporting functions
- leading the finance team by providing high level financial oversight, reporting and advice regarding organisational budgets, revenue performance and ongoing capacity to meet commitments
- managing human resources, including building team capability to nurture a high performing team culture
- leading technology and information systems support to enable the organisation in delivering excellence in customer engagement and service delivery
- leading the finance team by providing high level financial oversight, reporting and advice regarding organisational budgets, revenue performance and ongoing capacity to meet commitments
- shaping corporate strategies in support of QLeave's strategic direction
- providing expert analysis and strategic advice to the General Manager on governance, risk, legislation, ethical standards, policy and corporate functions
- coordinating the internal and external auditing of QLeave
- leading the ongoing review and development of legislation and policy frameworks
- negotiating contracts, agreements and memoranda of understanding with other government agencies, ensuring those arrangements are in accordance with legislative requirements and Information Privacy Principles.



Key responsibilities of the previous Director Client Services and Compliance were allocated to the General Manager and Director Governance and Corporate Services.

### SENIOR MANAGEMENT GROUPS AND COMMITTEES

QLeave's governance framework comprises the following teams and committees:

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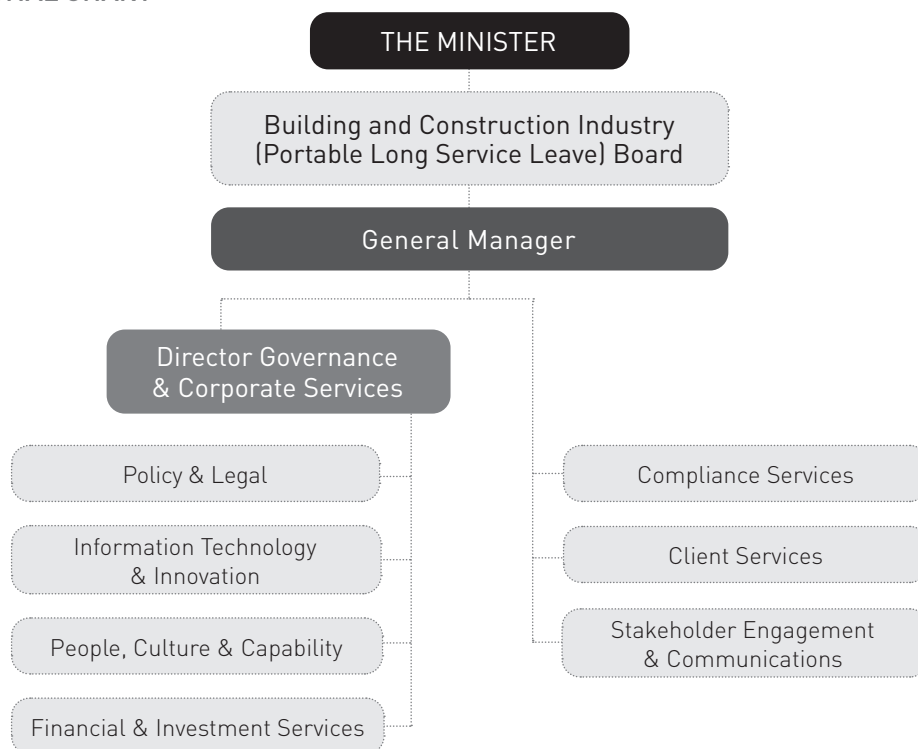
<b>Consultative Committee</b>	Established in accordance with the State Government Entities Certified Agreement 2019 to support QLeave staff by working on matters that may impact on QLeave's workforce
<b>Information Technology and Innovation Steering Committee</b>	To provide advice to the Executive in establishing and overseeing the strategic direction for information and communication technology within QLeave
<b>Leadership Team</b>	Executive and management team working together on organisation-wide matters
<b>Projects Steering Committee</b>	To provide high-level oversight over QLeave's key ICT projects
<b>Risk Management Committee</b>	To provide assurance to the Executive and Board about the effective identification and management of risks in accordance with the <i>Financial and Performance Management Standard 2019</i> and other relevant legislation

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# PEOPLE, CULTURE AND CAPABILITY

## ORGANISATIONAL CHART



## WORKFORCE PROFILE

As of 30 June 2021, QLeave had 65 full-time equivalents.

The annual permanent separation rate for 2021-22 was 10.77%.


During the period, one employee received a redundancy package at a cost of \$60,838.50.

In 2020-21, QLeave engaged Mercer to conduct an independent review of our 2019 functional realignment to ensure that the structure is fit for purpose now and into the future, and aligns with best practice organisation design principles. This review resulted in the introduction of key roles within our client services department to ensure that we meet our internal and external stakeholder needs.

## STRATEGIC WORKFORCE PLANNING

QLeave engaged a consultant to review the organisational structure. The consultant made recommendations which are being implemented in a way that meets organisational needs. As a result of the review, new positions have been established to assist QLeave effectively administer the Portable Long Service Leave schemes. Most notably was the establishment of a Policy and Legal Manager to effect much needed business improvements. A temporary Change Manager has been engaged to support staff through change.

During 2020-21, QLeave invested in building a culturally aware, compliant and customer-focused workforce to meet future operational and business needs, with an emphasis on future-proofing the organisation. QLeave is committed to building a culture of high performance, where our people understand how their role contributes to meeting strategic objectives. QLeave's leadership team conducts quarterly business planning days to ensure commitment in meeting its strategic objective including providing a safe, inclusive workplace, based on a culture of respect and accountability.



QLeave participates in the annual Working for Queensland (WfQ) survey conducted across the Queensland Public Sector. The survey measures employee engagement; inclusion and diversity; and perceptions of their work, manager, team and organisation. Following the survey, QLeave has sought staff feedback and committed to an action plan driving improved communication, accountability and decision making.

The action plan was approved by the Board and implementation of key actions continue to be rolled out.

## HEALTH, SAFETY AND WELL-BEING

The health, safety and well-being of our staff continued to be a primary focus for QLeave this year. With the introduction of a third scheme, additional staff resources were engaged to assist with workloads and to make sure QLeave continued to provide excellent client service. To ensure social distancing with additional staff onboard, QLeave expanded our office accommodation. This has assisted greatly in having specific teams sitting near each other for collaboration and cross-skilling purposes. It has also assisted in our implementation of the Queensland Government's *Safe return to the workplace* strategy.

QLeave's COVID Safe Plan is regularly reviewed and updated in accordance with the latest government directions.

QLeave established its first Domestic and Family Violence framework to protect staff who may experience domestic or family violence in their work and personal life. This framework sets out the support QLeave will provide to its employees. To further promote this framework and, more importantly, the support it provides to staff, QLeave participated in Domestic and Family Violence Prevention month during the year.

## PERFORMANCE MANAGEMENT FRAMEWORK

All eligible employees are allocated performance development plans (PDPs) that link to QLeave's strategic plan. The Queensland Public Service values form the foundation of QLeave's 2021-25 Strategic plan, which was approved in February 2021.

New PDPs were developed for staff during the year ensuring performance is assessed against clear criteria and expectations. Each leader's PDP references the *Public Service Act 2008*.

QLeave reviewed and enhanced its induction process and engaged a specialised training lead who developed competency based training for QLeave's front-line staff.

Staff development continued during the year. Individual staff's professional development was approved in addition to whole-of-organisation training which included:

- *Good decision-making* training provided to front line staff by the Queensland Ombudsman's office
- Statutory Interpretation training provided by Clayton Utz
- Authorised Officer training provided internally
- Certificate IV Government Investigations training provided to compliance staff
- Cultural awareness training provided by Banaam to all staff
- Complaints management training provided to staff who deal with complaints, provided by the Queensland Ombudsman's office
- Quality assurance program training provided to client services leadership by CS Group Australia

QLeave engaged an external facilitator who has:

- Assisted staff with change management in readiness for the rollout of new ICT systems
- Worked with QLeave's Leadership Team on a quarterly basis to facilitate planning and support collaboration amongst the leadership team.



## PUBLIC SECTOR ETHICS AND VALUES

Values, conduct and ethics at QLeave are guided by the framework for Queensland public service employees which includes the public service values; general public service principles in sections 25 and 26 of the *Public Service Act 2008* and ethical requirements; values; and standards of conduct in the *Public Service Ethics Act 1994* and Code of Conduct for the Queensland Public Service. QLeave staff learn about public sector ethics and values during induction and as part of our annual compliance based training program.

QLeave maintained a consistent focus on aligning staff behaviour with our values. Values are an important part of shaping organisational culture. Aligning values and culture increases employee engagement, enhances reputation and increases employee satisfaction. To reward staff, reinforce new habits and embed cultural change, QLeave's *Living our Values* reward and recognition program focuses on aligning the reward criteria to our values. The program recognises employees that demonstrate the attributes of these values in their work and behaviors.

QLeave's policy and procedures template has been amended so that policies and procedures align with QLeave's values.

Every staff member at QLeave has selected one of QLeave's values and as part of their performance and development plan set a goal to achieve.

Supervisors' and managers' performance development plans reference the need to proactively manage and address issues with their teams' performance and conduct.

## PUBLIC INTEREST DISCLOSURES

QLeave established a new Public Interest Disclosure (PID) framework during the year to ensure it meets its obligations as set out in the *Public Interest Disclosure Act 2010* (PID Act) and the PID standards issued by the Queensland Ombudsman in accordance with s60 of the PID Act.

QLeave developed a new policy and procedure which is publicly available on our website. This is based on the Queensland Ombudsman's model PID procedure.

QLeave delivered PID training to all staff so that employees are aware of the requirements. PID Coordinator and PID Support Officer positions were also established and included in QLeave's delegations manual. Training has been provided to QLeave's PID Support Officers.

QLeave's next focus will be to establish a PID Communications Plan so that regular communication about PIDs is provided to the organisation, including our Boards and staff.

## INCLUSIVE WORKFORCE

QLeave established its Consultative Committee, which first met in April with the Together Union to discuss matters arising under the State Government Entities Certified Agreement 2019 and ways to support QLeave staff through change. To facilitate transparency the committee posts minutes of each meeting on the intranet for staff to review.

At the beginning of the year, QLeave launched its first Inclusion and Diversity Strategy and is working on initiatives to effect support for inclusion and diversity across the workforce.

A Reconciliation Action Plan (RAP) was also developed during the year and has been conditionally endorsed by Reconciliation Australia. QLeave's RAP sets out our commitment to working in partnership with Aboriginal and Torres Strait Islander peoples both within our organisation and in the communities we serve. To assist with implementation the recommendations of the RAP, QLeave established a RAP Working Group who will commence implementation next financial year.





## WORKFORCE RETENTION INITIATIVES

QLeave continues to encourage staff to maintain a healthy work-life balance by providing flexible work practices (part-time hours, job sharing, staggered start and finish times); formal working from home arrangements and accrued time provisions.

As the Queensland Government has eased restrictions previously set in response to the COVID-19 pandemic, QLeave is now working on returning staff progressively and safely to the workplace. This work is being undertaken in accordance with the Queensland Public Service Commission's framework. QLeave has established a new Flexible Work Arrangements (FWA) policy and procedure and commenced new FWA agreements with staff, including working from home agreements, to ensure that arrangements suit operational requirements, as well as each employee's personal circumstances.

QLeave's Employee Assistance Program is provided by AccessEAP and continues to be a valuable support to our staff. We continue to focus on staff wellbeing with mental health awareness and safety training, and events such as prostate cancer awareness, influenza vaccination program and celebrations that foster inclusion and diversity. QLeave's inaugural Reflect RAP has been approved by Reconciliation Australia for implementation in the next financial year.

Conditions of employment for QLeave employees are stipulated under the *Public Service Act 2008*, the Queensland Public Service Officers and Other Employees Award – State 2015 and State Government Entities Agreement 2019.





**PORTABLE**  
LONG SERVICE  
LEAVE

## VISION

We each lead and serve to secure long service leave for eligible workers of today and tomorrow.

## PURPOSE

We will honour the work of our members by administering the scheme responsibly; so their long service leave is secure and easily accessible and they receive equitable and consistent service.

## STRATEGIC PRIORITIES

- 1 Developing a culture of legislative compliance to ensure consistent service delivery, for a better customer and staff experience
- 2 Launching digital services that improve access for customers and uptake of self-service by 30 June 2022
- 3 Creating opportunities for staff to learn and grow by filling key positions, and implementing succession plans and cross-skill programs by 31 December 2021

## GOVERNANCE STATEMENT

QLeave is committed to maintaining sound governance arrangements for accountability, managing risk, culture and compliance. This enables the agency to prepare and respond to future scheme demands.

**QLeave contributes to Unite and Recover, the Queensland Government's objectives for the community by:**

- **Safeguarding our health** - we safeguard workers' long service leave entitlements no matter how many employers they work for, to enable them to take planned leave for rest, recreation and health purposes
- **Backing small business** - we administer long service leave on behalf of industry, enabling employers to get on with running their small business
- **Backing our frontline workers** - we deliver frontline services state-wide to provide portable long service leave to industry workers

## QLEAVE'S RISKS AND OPPORTUNITIES

### RISKS

#### Financial sustainability

We will assess liability and eligibility consistently and plan for the impact of the changing nature of work on the scheme.

#### Client service

We will build systems and platforms to satisfy stakeholder needs and ensure entitlements are easily accessible.

#### Effective compliance

We will undertake activities that ensure industry compliance with portable long service leave legislation.

#### Effective governance

We will establish policies and procedures that strengthen corporate and data governance, manage risk, prevent fraud and corruption and provide continuous business service, to protect QLeave's reputation.

#### Information technology and security

We will ensure that information and technology is secured and used to inform decision-making. We will implement good record keeping and protect information to prevent unauthorised disclosure.

#### Stakeholder engagement

We will collaborate with stakeholders to ensure the schemes represent their needs.

### OPPORTUNITIES

We will support the long-term sustainability of the schemes by being conscious of the needs of current and future workers.

We will identify and drive innovative solutions to maximise benefits to clients.

We will embrace digital technologies to provide value-added services that ensure accessibility and streamlined functions.

We will continue to develop our staff capability and performance to provide a better customer experience.

## OUR VALUES

### Customers first

We are fair and consistent, seek to understand and to make decisions for the long term

### Empower people

We are all leaders, who thrive on learning and sharing knowledge

## OUR STRATEGIC OBJECTIVES

### Delivering efficient, effective, value-add services for all our members

- being a responsive Government by delivering efficient, effective value-add services that make entitlements easily accessible for all members
- providing education on eligibility, liability and access to long service leave so small businesses can recover and thrive
- providing timely and consistent eligibility and liability decisions to industry stakeholders
- supporting our industries by seeking feedback to inform future efficiencies

### Building organisational sustainability

- creating an agile and flexible workforce that maintains service levels during peak periods and ensures succession management
- using data and behavioural approaches to improve compliance and engagement
- actively increasing the confidence of levy payers and employers in QLeave

### Maintaining a trustworthy brand

- developing a culture of legislative compliance to ensure consistent service delivery, for a better customer and staff experience
- treating our data as an asset to be protected and valued
- acting ethically, fairly and equitably in all stakeholder interactions
- incorporating feedback loops that ensure stakeholder-valued outcomes are delivered

### MEASURES

- new registrations exposing QLeave to the greatest risk in terms of scheme entitlements are assessed for eligibility at registration instead of at claim time
- 100% of new registrations receive a welcome pack within three months of registering with QLeave
- Four year rule process undertaken for the building and construction and contract cleaning industry schemes annually to remove ineligible workers from the schemes

### MEASURES

- 25% of past employer and worker registrations which have the potential to cause significant risk to the scheme's sustainability are audited to ensure legislative compliance
- register 58,000 workers with the community services industry portable long service leave scheme by 1 January 2022

### MEASURES

- achieve ISMS attestation by 30 September 2021
- 80% of feedback received from stakeholder satisfaction surveys that suggests business improvements is actioned by 30 June 2022

### Unleash potential

We want to improve and deliver beyond the expectations of our stakeholders

### Ideas into action

We challenge, try new things and seek different perspectives

### Be courageous

We feel safe to be vulnerable, to speak up, to pursue opportunities and to fail





# FINANCIAL STATEMENTS

**Building and Construction Industry  
(Portable Long Service Leave) Authority**  
For the Year Ended 30 June 2021

# Building and Construction Industry (Portable Long Service Leave) Authority

## Financial Statements

for the year ended 30 June 2021

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# Building and Construction Industry (Portable Long Service Leave) Authority

## Financial Statements

for the year ended 30 June 2021

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**Building and Construction Industry (Portable Long Service Leave) Authority**

**Statement of Comprehensive Income**

for the year ended 30 June 2021

<b>OPERATING RESULT</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Income from continuing operations</b>			
Portable long service leave levies	B1-1	126,872	90,708
Income from investments	B1-2	91,318	26,889
Net fair value gain on investments	B1-3	104,859	(49,806)
Interest		65	26
Other revenue	B1-4	3,649	2,456
<b>Total income from continuing operations</b>		<b>326,763</b>	<b>70,273</b>
<b>Expenses from continuing operations</b>			
Employee expenses	B2-1	6,244	6,412
Supplies and services	B2-2	4,095	2,477
Fund management fees		6,422	6,116
Impairment losses	B2-3	599	32
Depreciation and amortisation	B2-4	746	580
Loss on disposal of plant and equipment	C4-1	-	8
Portable long service leave scheme benefits	C8	132,674	161,215
<b>Total expenses from continuing operations</b>		<b>150,780</b>	<b>176,840</b>
<b>Operating result from continuing operations</b>		<b>175,983</b>	<b>(106,567)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME / (LOSS)</b>		<b>175,983</b>	<b>(106,567)</b>

*The accompanying notes form part of these financial statements.*

## Building and Construction Industry (Portable Long Service Leave) Authority

### Statement of Financial Position

as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents	C1	25,401	22,270
Receivables	C2	15,488	12,727
Investments	C3	1,172,318	940,996
Prepayments		398	468
<b>Total current assets</b>		<b><u>1,213,605</u></b>	<b><u>976,461</u></b>
<b>Non-current assets</b>			
Receivables	C2	6,181	7,670
Property, plant and equipment	C4-1	1,376	1,525
Right-of-use assets	C9-1	4,511	4,887
Intangible assets	C5-1	3,819	2,101
<b>Total non-current assets</b>		<b><u>15,887</u></b>	<b><u>16,183</u></b>
<b>Total assets</b>		<b><u>1,229,492</u></b>	<b><u>992,644</u></b>
<b>Current liabilities</b>			
Payables	C6	6,737	8,375
Provision for employee benefits	C7	1,175	1,274
Provision for scheme benefits	C8	729,400	738,900
Lease liabilities	C9-1	337	313
<b>Total current liabilities</b>		<b><u>737,649</u></b>	<b><u>748,862</u></b>
<b>Non-current liabilities</b>			
Provision for employee benefits	C7	87	72
Provision for scheme benefits	C8	275,300	202,900
Provision for makegood		150	150
Lease liabilities	C9-1	5,472	5,809
<b>Total non-current liabilities</b>		<b><u>281,009</u></b>	<b><u>208,931</u></b>
<b>Total liabilities</b>		<b><u>1,018,658</u></b>	<b><u>957,793</u></b>
<b>Net assets</b>		<b><u>210,834</u></b>	<b><u>34,851</u></b>
<b>Equity</b>			
Accumulated surplus		210,834	34,851
<b>Total equity</b>		<b><u>210,834</u></b>	<b><u>34,851</u></b>

*The accompanying notes form part of these financial statements.*



**Building and Construction Industry (Portable Long Service Leave)  
Authority**

**Statement of Changes in Equity**  
for the year ended 30 June 2021

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	<b>Accumulated Surplus \$'000</b>
<b>Balance as at 1 July 2019</b>	141,418
Total comprehensive income for the year	(106,567)
<b>Balance at 30 June 2020</b>	<u>34,851</u>
Total comprehensive income for the year	175,983
<b>Balance at 30 June 2021</b>	<u><u>210,834</u></u>

*The accompanying notes form part of these financial statements.*

## Building and Construction Industry (Portable Long Service Leave) Authority

### Statement of Cash Flows

for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>Inflows:</i>			
Interest receipts		140	167
Portable long service leave levies		127,120	82,065
Other revenue		2,249	2,243
GST collected from customers		380	266
GST input tax credits from ATO		557	558
<i>Outflows:</i>			
Employee expenses		(6,298)	(6,702)
Supplies and services		(5,592)	1,627
Interest expense - leases		(151)	(145)
Portable long service leave		(70,424)	(115,642)
GST paid to suppliers		(1,052)	(834)
GST remitted to ATO		(9)	-
<b>Net cash provided by (used in) operating activities</b>	CF-1	<b><u>46,920</u></b>	<b><u>(36,397)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i>Inflows:</i>			
Investments redeemed		6,783	51,273
<i>Outflows:</i>			
Payments for investments		(42,000)	-
Investment expenses paid		(6,321)	(5,847)
Payments for property, plant and equipment		-	(1,528)
Payments for intangibles		(1,938)	-
<b>Net cash (used in) provided by investing activities</b>		<b><u>(43,476)</u></b>	<b><u>43,898</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<i>Outflows:</i>			
Payments for leases		(313)	(305)
<b>Net cash (used in) provided by financing activities</b>		<b><u>(313)</u></b>	<b><u>(305)</u></b>
<b>Net increase (decrease) in cash and cash equivalents</b>		3,131	7,196
<b>Cash and cash equivalents - opening balance</b>		<u>22,270</u>	<u>15,074</u>
<b>Cash and cash equivalents - closing balance</b>	C1	<b><u>25,401</u></b>	<b><u>22,270</u></b>

*The accompanying notes form part of these financial statements.*

# Building and Construction Industry (Portable Long Service Leave) Authority

## Statement of Cash Flows

for the year ended 30 June 2021

### NOTES TO THE STATEMENT OF CASH FLOWS

#### CF-1 Reconciliation of operating result to net cash provided by operating activities

	2021 \$'000	2020 \$'000
Operating surplus/(deficit)	175,983	(106,567)
<i>Non-cash items included in operating result:</i>		
Depreciation and amortisation expense	746	580
Net losses on disposal of property, plant and equipment	-	8
<i>Adjustments to investment items:</i>		
Investment income	(196,106)	23,055
Investment expense	6,321	5,847
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in receivables	(1,272)	(8,865)
Decrease/(Increase) in prepayments	70	391
(Decrease) increase in payables	(1,638)	4,963
Increase/(decrease) in PLSL scheme benefits provision	62,900	44,279
(Decrease)/increase in accrued employee benefits	(84)	(88)
<b>Net cash provided by (used in) operating activities</b>	<b>46,920</b>	<b>(36,397)</b>

# Building and Construction Industry (Portable Long Service Leave) Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### SECTION 1

#### ABOUT THE AUTHORITY AND THIS FINANCIAL REPORT

#### A1 BASIS OF FINANCIAL STATEMENT PREPARATION

##### A1-1 GENERAL INFORMATION

The Building and Construction Industry (Portable Long Service Leave) Authority (Authority or QLeave) was established under the *Building and Construction Industry (Portable Long Service Leave) Act 1991*.

The principal place of business of the Authority is Unit 1, 62 Crockford Street, Northgate QLD 4013.

##### A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

The Authority has prepared these financial statements in compliance with section 39 of the *Financial and Performance Management Standard 2019*.

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 comply with the *Building and Construction Industry (Portable Long Service Leave) Act 1991*. In addition, the financial statements comply with Queensland Treasury's Financial Reporting Requirements for reporting periods beginning on or after 1 July 2020.

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 on 1 July 1992.

New Australian Accounting Standards early adopted and/or applied for the first time in these financial statements are outlined in Note E3.

##### A1-3 PRESENTATION

###### Currency and rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

###### Comparatives

Comparative information reflects the audited 2019-20 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 Acting General Manager at the date of signing the management certificate.

# Building and Construction Industry (Portable Long Service Leave) Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

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### A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

#### A1-5 BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except for the following:

- Provisions expected to be settled 12 or more months after the reporting date which are measured at their present value; and
- Investments with the Queensland Investment Corporation (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 the 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 or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

#### 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. similar) 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 flow 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 inflows 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.

### A2 AUTHORITY OBJECTIVES

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

The Authority is funded by a levy of 0.35% imposed on building and construction activities over \$150,000 (GST exclusive). The Authority is further funded by income earned from the investment of these funds.

For the 2020-21 financial year, the Authority reported to the Minister for Education, Minister for Industrial Relations and Minister for Racing (Hon Grace Grace MP).

The Authority provides scheme administration services on a fee for service basis to the Contract Cleaning Industry (Portable Long Service Leave) Authority. During the 2020-21 financial year, the Authority commenced providing scheme administration services to the Community Services Industry (Portable Long Service Leave) Authority.

The Authority also provides levies collection services on a fee for service basis to:

- Workplace Health and Safety Queensland; and
- the Building and Construction Industry Training Fund (Qld) trading as Construction Skills Queensland.

## Building and Construction Industry (Portable Long Service Leave) Authority

### Notes to the Financial Statements

for the year ended 30 June 2021

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#### A3 LEGISLATION CHANGES

##### **Justice and Other Legislation (COVID-19 Emergency Response) Amendment Act 2020 (Amendment Act)**

To support industry workers that are experiencing financial hardship as a result of the COVID-19 pandemic, the Queensland Government has legislated amendments to the *Building and Construction Industry (Portable Long Service Leave) Act 1991*, allowing workers early access to their long service leave entitlement.

A summary of the legislated change is listed below:

- These payments will only be available from 26 May 2020 until 31 December 2020;
- Only five years of service is needed to make a financial hardship payment claim;
- This is a financial hardship payment, not a leave claim and therefore no public holidays will be paid as part of this claim;
- A worker can claim to use the balance of their leave entitlements, without their membership being cancelled;
- All five years of service to the industry must have been accrued in Queensland, with QLeave (not interstate); and
- Workers must meet the criteria for financial hardship set out under the Amendment Act and have supporting documentation to prove they are experiencing financial hardship.

This legislated change did not materially impact the financial statements during 2020-21. This legislation ended 31 December 2020 therefore subsequent financial statements will not be impacted.

##### **The building and construction industry portable long service leave levy changed from 1 July 2020**

Following a public consultation process started in May 2019, the Governor in Council passed the *Building and Construction Industry (Portable Long Service Leave)(Levy Changes) Amendment Regulation 2020* on 5 March 2020 enabling the following changes to the levy:

On 1 July 2020, the levy rate increased from 0.25% to 0.35% on building and construction activities over \$150,000 (excluding GST). The tiered levy rates were removed, meaning all notifiable cost of work is subject to the same levy rate.

This change was recommended by the Actuary to support the long-term financial sustainability of the scheme.

This legislated change has materially increased income from levies and subsequently income from investments in 2020-21. This has improved the accrued benefits reserve index to within the Board-approved range ensuring long-term sustainability and solvency of the scheme.

# Building and Construction Industry (Portable Long Service Leave) Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### SECTION 2

#### NOTES ABOUT OUR FINANCIAL PERFORMANCE

## B1 REVENUE

### B1-1 INCOME FROM LEVIES

	2021	2020
	\$'000	\$'000
Portable long service leave levies	<u>126,872</u>	<u>90,708</u>

#### Accounting policy - 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 is recognised at the date of notification.

At a future date, should a notification be changed, withdrawn or cancelled then a negative impact on levy revenue will occur.

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

### B1-2 INCOME FROM INVESTMENTS

	2021	2020
	\$'000	\$'000
Interest from:		
Queensland Treasury Corporation (QTC)	72	138
Distribution from:		
QIC Long Term Diversified Fund	67,632	10,814
QIC Diversified Australian Equities Fund	9,586	5,747
QIC International Equities Fund	9,010	7,714
QIC Short Term Income Fund	1,634	948
QIC Cash Enhanced Fund	106	187
QIC Diversified Fixed Interest Fund	3,278	1,341
<b>Total</b>	<u><b>91,318</b></u>	<u><b>26,889</b></u>

#### Accounting policy - Income from investments

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

### B1-3 NET FAIR VALUE GAIN ON INVESTMENTS

	2021	2020
	\$'000	\$'000
QIC Long Term Diversified Fund		
Earnings	103,865	(12,134)
Less: Distributions	<u>(67,632)</u>	<u>(10,814)</u>
<b>Fair value movement</b>	<b>36,233</b>	<b>(22,948)</b>
QIC Diversified Australian Equities Fund		
Earnings	45,655	(13,147)
Less: Distributions	<u>(9,586)</u>	<u>(5,747)</u>
<b>Fair value movement</b>	<b>36,069</b>	<b>(18,894)</b>
QIC International Equities Fund		
Earnings	44,275	215
Less: Distributions	<u>(9,010)</u>	<u>(7,714)</u>
<b>Fair value movement</b>	<b>35,265</b>	<b>(7,499)</b>

#### Accounting policy - Net fair value gain on investments

Gains arising from changes in the fair value measurement of investment funds are included in the operating result for the period in which they arise.

The net fair value movement on investments is disclosed in Note D1-4.

## Building and Construction Industry (Portable Long Service Leave) Authority

### Notes to the Financial Statements

for the year ended 30 June 2021

#### B1 REVENUE (continued)

##### B1-3 NET FAIR VALUE GAIN ON INVESTMENTS (continued)

	2021	2020
	\$'000	\$'000
QIC GFI Inflation Plus Fund*		
Earnings	-	177
Less: Distributions	-	-
<b>Fair value movement</b>	<b>-</b>	<b>177</b>
QIC Short Term Income Fund		
Earnings	1,528	785
Less: Distributions	(1,634)	(948)
<b>Fair value movement</b>	<b>(106)</b>	<b>(163)</b>
QIC Cash Enhanced Fund		
Earnings	103	161
Less: Distributions	(106)	(187)
<b>Fair value movement</b>	<b>(3)</b>	<b>(26)</b>
QIC Diversified Fixed Interest Fund		
Earnings	679	888
Less: Distributions	(3,278)	(1,341)
<b>Fair value movement</b>	<b>(2,599)</b>	<b>(453)</b>
<b>Total fair value movement</b>	<b>104,859</b>	<b>(49,806)</b>

\* Following the closure of the QIC GFI Inflation Plus Fund, QLeave moved these funds to the QIC Diversified Fixed Interest Fund on the 10th December 2019.

##### B1-4 OTHER REVENUE

	2021	2020
	\$'000	\$'000
Revenue from contracts with customers		
Fees for service	3,565	2,411
Other	84	45
<b>Total</b>	<b>3,649</b>	<b>2,456</b>

##### Accounting policy - Fees for service

Services are provided over 12 month periods, and customers simultaneously receive and consume the benefits provided during these periods. The Authority invoices fees for services rendered, and recognises revenue, after the service delivery periods per the agreements.

##### The Authority provides scheme administration services to the:

- Contract Cleaning Industry (Portable Long Service Leave) Authority; and
- Community Services Industry (Portable Long Service Leave) Authority.

The increase in fees for service during the 2020-21 financial year, is explained by the Authority commencing the provision of scheme administration services to the Community Services Industry (Portable Long Service Leave) Authority.

##### The Authority provides levy collection services to:

- Workplace Health and Safety Queensland; and
- Building and Construction Industry Training Fund (Qld) trading as Construction Skills Queensland.



## Building and Construction Industry (Portable Long Service Leave) Authority

### Notes to the Financial Statements

for the year ended 30 June 2021

#### B2 EXPENSES

##### B2-1 EMPLOYEE EXPENSES

	2021	2020
	\$'000	\$'000
<b>Employee benefits</b>		
Salaries and wages	4,689	4,966
Annual leave expense	480	539
Employer superannuation contributions	661	692
Long service leave expense	97	(108)
<b>Employee related expenses</b>		
Workers compensation premium	22	18
Payroll tax	300	280
Fringe benefits tax	(5)	25
<b>Total</b>	<b>6,244</b>	<b>6,412</b>
Full-time equivalent employees	64.6	69.0

##### Accounting policy - Wages, salaries and annual leave

Wages and salaries due but unpaid at reporting date are recognised in the statement of financial position at the current salary rates. As the Authority expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

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

##### Accounting policy - Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment.

Defined contribution plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined benefit plan - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the Authority at the specified rate following completion of the employee's service each pay period. The Authority's obligations are limited to those contributions paid.

##### Accounting policy - Workers compensation premiums

The Authority pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

Workers compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses.

## Building and Construction Industry (Portable Long Service Leave) Authority

### Notes to the Financial Statements

for the year ended 30 June 2021

#### B2 EXPENSES (continued)

##### B2-2 SUPPLIES AND SERVICES

	2021	2020
	\$'000	\$'000
Advertising and promotions	122	146
Computer costs	906	843
Personnel development	121	104
Audit fees <sup>(1)</sup>	116	18
Contractor charges	1,346	284
Consultancy charges	454	158
Legal expenses	126	145
Travel costs	22	63
Telecommunication costs	4	21
Printing and photocopying	7	10
Reference materials	46	37
Insurance premiums - QGIF <sup>(2)</sup>	8	6
Lease expenses	19	57
Interest expense	151	145
Building services	99	99
Portable and attractive assets	31	36
Other expenses	517	305
<b>Total</b>	<b>4,095</b>	<b>2,477</b>

##### Accounting policy - Procurement

For a transaction to be classified as supplies and services, the value of goods and services received by the Authority must be approximately equal value to the value of the consideration exchanged for those goods or services.

##### Accounting policy - Lease expenses

Lease expenses include printing services and motor vehicles. Refer to Note C9 for breakdown of lease expenses and other lease disclosures.

##### Audit fees

(1) Total audit fees quoted by the Queensland Audit Office relating to the external audit of the 2020-21 financial statements are estimated to be \$28,600 (2019-20: \$28,000). There are no non-audit services included in this amount.

##### Insurance premiums - QGIF

(2) The Authority's risks are insured through the Queensland Government Insurance Fund and premiums are paid on a risk assessment basis.

##### B2-3 IMPAIRMENT LOSSES

	2021	2020
	\$'000	\$'000
Trade receivables*	599	32

##### Accounting policy - Impairment

Impairment losses may arise on assets held by the Authority from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment.

\* The loss allowance figure includes the material impairment of a long outstanding instalment project pending commencement.

##### B2-4 DEPRECIATION AND AMORTISATION

	2021	2020
	\$'000	\$'000
Depreciation - property, plant and equipment	193	204
Depreciation - right-of-use assets	376	376
Amortisation - intangibles	177	-
<b>Total</b>	<b>746</b>	<b>580</b>

# Building and Construction Industry (Portable Long Service Leave) Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### SECTION 3

#### NOTES ABOUT OUR FINANCIAL POSITION

#### C1 CASH AND CASH EQUIVALENTS

	2021	2020
	\$'000	\$'000
Cash at bank	14,401	9,770
Queensland Treasury Corporation (QTC) Deposits at call	11,000	12,500
<b>Total</b>	<b><u>25,401</u></b>	<b><u>22,270</u></b>

#### Accounting policy - Cash and cash equivalents

For the purposes of the statement of financial position and the statement of cash flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions.

#### C2 RECEIVABLES

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Trade debtors	13,615	11,826
Less: Loss allowance <sup>(1)</sup>	(567)	(18)
	<u>13,048</u>	<u>11,808</u>
Accrued revenue	9	12
GST payable	148	24
	<u>157</u>	<u>36</u>
Other debtors	2,283	883
<b>Total current receivables</b>	<b><u>15,488</u></b>	<b><u>12,727</u></b>
<b>Non-current</b>		
Trade debtors <sup>(2)</sup>	<u>6,181</u>	<u>7,670</u>
<b>Total</b>	<b><u>21,669</u></b>	<b><u>20,397</u></b>

#### Accounting policy - Receivables

Receivables are measured at amortised cost which approximates their fair value at reporting date.

Trade debtors are recognised at the amounts due at the time of project notification. An instalment arrangement may be approved to applicants in accordance with Section 82 of the *Building and Construction Industry (Portable Long Service Leave) Act 1991*. Trade debtors are presented as current assets unless collection is not expected for more than 12 months after reporting date.

Other debtors generally arise from the Authority acting on a fee for service basis for other agencies. Income for providing these services is in accordance with agency agreements.

Terms are a maximum of one month, no interest is charged, no security is obtained and no loss allowance is provided for.

(1) The loss allowance figure includes the material impairment of a long outstanding instalment project pending commencement.

(2) The non-current debtors figure represents the discounted present value of instalment arrangements allowed under Section 82 of the *Building and Construction Industry and (Portable Long Service Leave) Act 1991*.

## Building and Construction Industry (Portable Long Service Leave) Authority

### Notes to the Financial Statements

for the year ended 30 June 2021

#### C3 INVESTMENTS

	2021 \$'000	2020 \$'000
QIC - Long Term Diversified Fund	669,244	569,399
QIC - Diversified Australian Equities Fund	194,403	149,854
QIC - International Equities Fund	202,865	159,739
QIC - Short Term Income Fund	62,301	18,995
QIC - Cash Enhanced Fund	12,383	12,362
QIC - Diversified Fixed Interest Fund	31,122	30,647
<b>Total</b>	<b>1,172,318</b>	<b>940,996</b>

#### Accounting policy - Investments

The Authority's investments are stated at fair value through profit or loss and are limited to unlisted unit trusts managed by QIC Limited. The fair value of these investments were estimated using market approach based on unit price of the the relevant trust at reporting date. The unit price is derived based on observable market data for underlying investments held by the fund.

#### C4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE

##### C4-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	2021 \$'000	2020 \$'000
Plant and equipment at cost	2,723	2,680
Less: Accumulated depreciation	(1,347)	(1,155)
<b>Carrying amount at 30 June</b>	<b>1,376</b>	<b>1,525</b>

*Represented by movements in carrying amount:*

	2021	2020
Carrying amount at 1 July	1,525	1,658
Acquisitions (including upgrades)	43	79
Disposals	-	(8)
Depreciation expense	(192)	(204)
<b>Carrying amount at 30 June</b>	<b>1,376</b>	<b>1,525</b>

##### C4-2 RECOGNITION AND ACQUISITION

###### Accounting policy - Recognition

###### Basis of capitalisation and recognition thresholds

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

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

Expenditure on plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the Authority. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

###### Accounting policy - Cost of acquisition

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

##### C4-3 MEASUREMENT USING HISTORICAL COST

###### Accounting policy

Plant and equipment is measured at historical cost in accordance with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts for such plant and equipment is not materially different from their fair value.

# Building and Construction Industry (Portable Long Service Leave) Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### C4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE (continued)

#### C4-4 DEPRECIATION EXPENSE

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less any estimated residual value, progressively over its estimated useful life to the Authority.

**Key Judgement:** Straight line depreciation is used reflecting the progressive, and even consumption of future economic benefits over their useful life to the Authority.

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

Assets under construction (work-in-progress) are not depreciated until construction is complete and the asset is put to use or is ready for its intended use, whichever is the earlier. These assets are then reclassified to the relevant class within property, plant and equipment.

For the Authority's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

#### Depreciation Rates

**Key Estimates:** For each class of depreciable asset the following depreciation rates are used:

Property, plant and equipment	Useful life
Computer equipment	5 years
Office equipment	5 years
Tenancy fit out	10 years
Office accommodation	15 years*

\* The Authority's office accommodation lease has a fifteen year term which includes the renewal option of an additional five years.

#### C4-5 IMPAIRMENT

##### Accounting policy

##### Indicators of impairment and determining recoverable amount

All property, plant and equipment assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Authority determines the asset's recoverable amount under AASB 136 *Impairment of Assets*. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

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

##### Recognising impairment losses

For assets measured at cost, an impairment loss is recognised immediately in the statement of comprehensive income.

##### Reversal of impairment losses

For assets measured at cost, impairment losses are reversed through income.

## Building and Construction Industry (Portable Long Service Leave) Authority

### Notes to the Financial Statements

for the year ended 30 June 2021

#### C5 INTANGIBLES AND AMORTISATION EXPENSE

##### C5-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	2021 \$'000	2020 \$'000
Software	6,679	3,130
Less: Accumulated amortisation	(3,307)	(3,130)
Internally generated software work-in-progress*	447	2,101
<b>Carrying amount at 30 June</b>	<b>3,819</b>	<b>2,101</b>

Represented by movements in carrying amount:

Carrying amount at 1 July	2,101	652
Acquisitions (including work-in-progress)*	1,895	1,449
Disposals	-	-
Amortisation expense	(177)	-
<b>Carrying amount at 30 June</b>	<b>3,819</b>	<b>2,101</b>

\* Internally generated software acquisitions (including work-in-progress) comprises the development costs of a new customer relationship management software solution to replace the current end of life software.

##### C5-2 RECOGNITION AND MEASUREMENT

###### Accounting policy

At 30 June the Authority has recorded internally generated software work-in-progress with a carrying amount of \$0.4 million. It is anticipated this software will be commissioned and amortised during the 2021-22 financial year in accordance with the following accounting policies.

Intangible assets of the Authority comprise purchased software and internally generated software. Intangible assets with a historical cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Any training costs are expensed as incurred.

There is no active market for any of the Authority's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the internal development of computer software are capitalised and amortised under the amortisation policy below.

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

##### C5-3 AMORTISATION EXPENSE

###### Accounting policy

All intangible assets of the Authority have finite useful lives and are amortised on a straight line basis over the estimated useful life to the Authority. Straight line amortisation is used reflecting the expected consumption of economic benefits on a progressive basis over the intangible's useful life. The residual value of the Authority's intangible assets is zero.

###### Useful life

**Key estimate:** For each class of intangible asset the following useful lives are used:

Intangible asset	Useful life
Software purchased	5 years
Software internally generated	5 years

## Building and Construction Industry (Portable Long Service Leave) Authority

### Notes to the Financial Statements

for the year ended 30 June 2021

#### C5 INTANGIBLES AND AMORTISATION EXPENSE (continued)

##### C5-4 IMPAIRMENT

###### Accounting policy

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

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by the Authority, including discontinuing the use of the software. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value-in-use.

#### C6 PAYABLES

	2021	2020
	\$'000	\$'000
Trade creditors	4,803	5,334
Accrued charges	1,934	3,041
<b>Total</b>	<b>6,737</b>	<b>8,375</b>

###### 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.

#### C7 PROVISION FOR EMPLOYEE BENEFITS

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Accrued annual leave	583	588
Provision for long service leave	592	686
<b>Total</b>	<b>1,175</b>	<b>1,274</b>

###### Accounting policy - Long service leave

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

###### Movement in current long service leave provision:

Balance at 1 July	686	923
Additional provision recognised	117	99
Reductions in provision from payments	(211)	(336)
<b>Balance at 30 June</b>	<b>592</b>	<b>686</b>
<b>Non-current</b>		
Provision for long service leave	<b>87</b>	<b>72</b>

## Building and Construction Industry (Portable Long Service Leave) Authority

### Notes to the Financial Statements

for the year ended 30 June 2021

#### C8 PROVISION FOR SCHEME BENEFITS

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Provision for Scheme benefits expected to be settled within 12 months	127,500	130,300
Provision for Scheme benefits expected to be settled after 12 months	601,900	608,600
<b>Total *</b>	<b>729,400</b>	<b>738,900</b>
<b>Non-current</b>		
Provision for Scheme benefits	275,300	202,900
<b>Total</b>	<b>1,004,700</b>	<b>941,800</b>
<b>Movement in provisions</b>		
Balance at 1 July	941,800	897,521
Additional provision recognised	132,674	161,215
Reductions in provisions from payments	(69,774)	(116,936)
<b>Balance at 30 June</b>	<b>1,004,700</b>	<b>941,800</b>

#### 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.

Payments for long service leave claims are assessed and calculated in accordance with the *Building and Construction Industry (Portable Long Service Leave) Act 1991* and regulations.

Scheme eligible members as at 30 June were 321,326 (2019-20: 298,041).

\* The total current provision of \$729.4 million (2019-20: \$738.9 million) represents the value for which the Authority does not have an unconditional right to defer settlement for at least 12 months. The Authority expects to pay \$127.5 million (2019-20: \$130.3 million) over the next 12 months.

The liability has been recorded as both a current liability and a non-current liability in accordance with AASB 101 *Presentation of Financial Statements and AASB 137 Provisions, Contingent Liabilities and Contingent Assets* whereby the current liability represents any amount of scheme benefits liability for which the Authority does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

#### Key Estimates and Judgements: Provision

The long service leave liability of the Scheme was determined via actuarial assessment as required by the *Building and Construction Industry (Portable Long Service Leave) Act 1991* at intervals of at least every two years to investigate the sufficiency of the Authority's funds and the adequacy of the levy rate. The Authority ensures an independent actuarial assessment is undertaken in accordance with legislation.

Mercer Consulting (Australia) Pty Ltd was re-appointed by the Authority on 8 April 2021. The latest actuarial assessment of the scheme's liabilities by Mercer Consulting (Australia) Pty Ltd dated 16 April 2021 was prepared utilising 18 February 2021 worker data based on a number of assumptions.

The major actuarial assumptions used were:

- The long-term investment return of 3.8% per annum net of management fees (2019-20: 4.7% per annum).
- The rate of wage increase of 2.5% per annum (2019-20: 2.3% per annum).
- The average weekly wage rate for long service leave claims of \$1,527 (2019-20: \$1,513). A capped rate of \$1,980 per week applies to all claims from 1 July 2021 (2019-20: \$1,980).
- The expenses of administering the Scheme of \$9.14M based on the 2020-21 annual administration budget values (2019-20: \$9.29M).
- Workers are defined as active if they have earned service credits within the financial year ending 30 June 2021 and inactive if they have not earned any service credits in the same period.
- Current active workers accrue 165 days service credits per annum and new workers 75 days service credits per annum in their first year.
- Loading for unreported service of 5% on the total Scheme liabilities (2019-20: 5%)

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



## Building and Construction Industry (Portable Long Service Leave) Authority

### Notes to the Financial Statements

for the year ended 30 June 2021

#### C9 LEASES

##### C9-1 LEASES AS LESSEE

###### Right-of-use assets

	2021	2020
	\$'000	\$'000
Opening balances at 1 July	4,887	5,263
Additions	-	-
Depreciation charge	(376)	(376)
Disposals/derecognition	-	-
<b>Closing balance at 30 June</b>	<b><u>4,511</u></b>	<b><u>4,887</u></b>

	2021	2020
	\$'000	\$'000
<b>Lease Liabilities</b>		
<b>Current</b>		
Lease liabilities	337	313
<b>Non-current</b>		
Lease liabilities	<u>5,472</u>	<u>5,809</u>
<b>Total</b>	<b><u>5,809</u></b>	<b><u>6,122</u></b>

###### Accounting policy - Leases as lessee

The Authority measures right-of-use assets from concessionary leases at cost on initial recognition, and measures all right-of-use assets at cost subsequent to initial recognitions.

The lease payments are recognised as expenses on a straight-line basis over the term of the leases.

An asset is considered low value where it is expected to cost less than \$10,000 when new. The Authority has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets.

When measuring the lease liability, the Authority uses its incremental borrowing rate as the discount rate where the interest rate implicit in the leases cannot be readily determined, which is the case for the Authority's leases. To determine the incremental borrowing rate, the Authority uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

###### Disclosures - Leases as lessee

###### (i) Office accommodation

The office accommodation lease has a fifteen year term ending on 3 May 2033. This term includes the renewal option of an additional five years as it is reasonably certain that QLeave will exercise that option. From 2019-20 onward, these leases have been brought on as right-of-use assets and lease liabilities per above.

###### (ii) Printing services

The Authority has a photocopier lease which has variable lease payments that depend on the volume of usage. The usage-based payments are recognised as lease expenses in Note B2-2 when incurred. They are not expected to vary materially from year to year. These arrangements are categorised as procurement of services rather than leases because the Lessor has substantive substitution rights over these assets.

###### (iii) Motor vehicles

The Department of Housing and Public Works (DHPW) provides the Authority with access to motor vehicles under government-wide frameworks. These arrangements are categorised as procurement of services rather than leases because DHPW has substantive substitution rights over the assets. The costs for these services will continue to be expensed as supplies and services when incurred. Refer Note B2-2.

###### (iv) Amounts recognised in profit or loss

	2021	2020
	\$'000	\$'000
Interest expense on office accommodation lease liabilities	151	145
Breakdown of 'Lease expenses' included in Note B2-2		
- Expenses relating to printing services leases	18	41
- Expenses relating to motor vehicles leases	15	16
<b>(v) Total cash outflow for leases</b>	<b><u>184</u></b>	<b><u>202</u></b>

# Building and Construction Industry (Portable Long Service Leave) Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### 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's assets/liabilities, internal records of recent construction costs (and/or estimates of such costs), 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

Details of individual assets and liabilities measured under each category of fair value are set out in the tables at Note D1-3.

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.

There were no transfers of assets between fair value hierarchy levels during the period.

### 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 FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

	Level 1		Level 2		Level 3		Total Carrying amount	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Financial Assets</b>								
Investments								
QIC Long Term Diversified Fund	-	-	669,244	569,399	-	-	669,244	569,399
QIC Diversified Australian Equities Fund	-	-	194,403	149,854	-	-	194,403	149,854
QIC International Equities Fund	-	-	202,865	159,739	-	-	202,865	159,739
QIC Short Term Income Fund	-	-	62,301	18,995	-	-	62,301	18,995
QIC Cash Enhanced Fund	-	-	12,383	12,362	-	-	12,383	12,362
QIC Diversified Fixed Interest Fund	-	-	31,122	30,647	-	-	31,122	30,647
<b>Total</b>	-	-	<b>1,172,318</b>	<b>940,996</b>	-	-	<b>1,172,318</b>	<b>940,996</b>

**Building and Construction Industry (Portable Long Service Leave) Authority**

**Notes to the Financial Statements**

for the year ended 30 June 2021

**D1 FAIR VALUE MEASUREMENT (continued)**

**D1-4 LEVEL 2 FAIR VALUE MEASUREMENT - RECONCILIATION**

		2021 \$'000	2020 \$'000
QIC Long Term Diversified Fund	Carrying amount at 1 July	569,399	585,220
	Plus		
	Earnings	103,865	(12,134)
	Contributions	-	-
	Distributions Reinvested	67,632	10,814
	Less		
	Distributions	(67,632)	(10,814)
	Redemptions	-	-
	Redemptions - Fees	(4,020)	(3,687)
	<b>Carrying amount at 30 June</b>	<b>669,244</b>	<b>569,399</b>
QIC Diversified Australian Equities Fund	Carrying amount at 1 July	149,854	164,010
	Plus		
	Earnings	45,655	(13,147)
	Contributions	-	-
	Distributions Reinvested	9,586	5,747
	Less		
	Distributions	(9,586)	(5,747)
	Redemptions	-	-
	Redemptions - Fees	(1,106)	(1,009)
	<b>Carrying amount at 30 June</b>	<b>194,403</b>	<b>149,854</b>
QIC International Equities Fund	Carrying amount at 1 July	159,739	160,568
	Plus		
	Earnings	44,276	215
	Contributions	-	-
	Distributions Reinvested	9,010	7,714
	Less		
	Distributions	(9,010)	(7,714)
	Redemptions	-	-
	Redemptions - Fees	(1,150)	(1,044)
	<b>Carrying amount at 30 June</b>	<b>202,865</b>	<b>159,739</b>
QIC GFI Inflation Plus Fund	Carrying amount at 1 July	-	39,786
	Plus		
	Earnings	-	177
	Contributions	-	-
	Distributions Reinvested	-	-
	Less		
	Distributions	-	-
	Redemptions	-	(39,858)
	Redemptions - Fees	-	(105)
	<b>Carrying amount at 30 June</b>	<b>-</b>	<b>-</b>
QIC Short Term Income Fund	Carrying amount at 1 July	18,995	47,476
	Plus		
	Earnings	1,528	785
	Contributions	42,000	-
	Distributions Reinvested	1,634	949
	Less		
	Distributions	(1,634)	(948)
	Redemptions	-	(29,000)
	Redemptions - Fees	(222)	(267)
	<b>Carrying amount at 30 June</b>	<b>62,301</b>	<b>18,995</b>

## Building and Construction Industry (Portable Long Service Leave) Authority

### Notes to the Financial Statements

for the year ended 30 June 2021

#### D1 FAIR VALUE MEASUREMENT (continued)

##### D1-4 LEVEL 2 FAIR VALUE MEASUREMENT - RECONCILIATION (continued)

		2021 \$'000	2020 \$'000
QIC Cash Enhanced Fund	Carrying amount at 1 July	12,362	18,264
	Plus		
	Earnings	103	161
	Contributions	-	9,000
	Distributions Reinvested	106	186
	Less		
	Distributions	(106)	(186)
	Redemptions	-	(15,000)
	Redemptions - Fees	(82)	(63)
	<b>Carrying amount at 30 June</b>	<b>12,383</b>	<b>12,362</b>
QIC Diversified Fixed Interest Fund	Carrying amount at 1 July	30,647	-
	Plus		
	Earnings	680	888
	Contributions	-	29,858
	Distributions Reinvested	3,278	1,341
	Less		
	Distributions	(3,278)	(1,341)
	Redemptions	-	-
	Redemptions - Fees	(205)	(99)
	<b>Carrying amount at 30 June</b>	<b>31,122</b>	<b>30,647</b>
<b>Total Carrying Amount at 30 June</b>		<b>1,172,318</b>	<b>940,996</b>

#### 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	2021 \$'000	2020 \$'000
<b>Financial assets</b>			
Cash and cash equivalents	C1	25,401	22,270
Financial assets measured at amortised cost:			
Receivables	C2	21,669	20,397
Financial assets at fair value through profit or loss:			
QIC Long Term Diversified Fund		669,244	569,399
QIC Diversified Australian Equities Fund		194,403	149,854
QIC International Equities Fund		202,865	159,739
QIC Short Term Income Fund		62,301	18,995
QIC Cash Enhanced Fund		12,383	12,362
QIC Diversified Fixed Interest Fund		31,122	30,647
	C3	1,172,318	940,996
<b>Total financial assets</b>		<b>1,219,388</b>	<b>983,663</b>
<b>Financial liabilities</b>			
Financial liabilities measured at amortised cost:			
Payables			
<b>Total financial liabilities</b>	C6	<b>6,737</b>	<b>8,375</b>

No financial assets and financial liabilities have been offset and presented in the statement of financial position.

## Building and Construction Industry (Portable Long Service Leave) Authority

### Notes to the Financial Statements

for the year ended 30 June 2021

## 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's activities expose it to a variety of financial risks as set out in the following table:

Risk exposure	Definition	Exposure
Credit risk	The risk that 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	The risk that 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 (Note C6) and payments for long service leave claims (Note C8).
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 the 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 specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.</p> <p>Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.</p>	<p>The Authority is exposed to price risk through investments with QIC (Note C3). 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 (Note C1) subject to variable interest rates.</p>

#### (b) Risk measurement and management strategies

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

Risk exposure	Measurement method	Risk management strategies
Credit risk	Aging analysis	The Authority manages credit risk through the use of a debtor 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 analysis</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 remains diversified and includes three capital funds and three liquidity funds.</p> <p>The Authority does not undertake any hedging in relation to interest risk.</p> <p>The Authority's Investment Policy Statement is reviewed annually to ensure investment objectives are aligned with the Authority's strategic plan and that an appropriate asset allocation exists to give expected returns for given levels of risk over time.</p> <p>QLeave has engaged an investment advisor to develop an investment strategy to support the investment objectives set by the Board. Subsequently, a revised investment policy statement and rebalancing of the Authority's funds will take place during the 2021-22 financial year.</p>

## Building and Construction Industry (Portable Long Service Leave) Authority

### Notes to the Financial Statements

for the year ended 30 June 2021

## D2 FINANCIAL RISK DISCLOSURES (continued)

### D2-3 CREDIT RISK DISCLOSURES

#### Credit risk management practices

The Authority typically considers a financial asset to be in default when it becomes 90 days past due. However, a financial asset can be in default before that point if information indicates that the Authority is unlikely to receive the outstanding amounts in full. The Authority has included a loss allowance on trade receivables (Note C2).

#### Credit risk exposure

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

Category	Note	2021 \$'000	2020 \$'000
<b>Financial assets</b>			
Trade receivables	C2	<u>21,669</u>	<u>20,397</u>

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security and there are no other credit enhancements relating to the Authority's receivables.

### D2-4 LIQUIDITY RISK - CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES

The following table sets out the liquidity risk of financial liabilities held by the Authority. They represent the contractual maturity of financial liabilities, calculated on undiscounted cash flows relating to the liabilities at reporting date.

	2021				2020			
	Total \$'000	<1 year \$'000	1-5 years \$'000	>5 years \$'000	Total \$'000	<1 year \$'000	1-5 years \$'000	>5 years \$'000
<b>Financial liabilities</b>								
Payables	<u>6,737</u>	6,737	-	-	<u>8,375</u>	8,375	-	-

### D2-5 MARKET RISK

The following market sensitivity analysis reflects the outcome to profit and loss if investment unit price would change by +/- 10% applied to the carrying amount as at 30 June 2021 (2019-20: +/- 10%). These fluctuations are considered appropriate given the current world economic and market climate. With all other variables held constant, the Authority would have a surplus/(deficit) and equity increase/(decrease) of \$117.2 million (2019-20: \$94.1 million) if there was a +/- 10% fluctuation in investment markets. This is attributable to the Authority's exposure to investment returns on funds held with QIC.

+ / - 10%	Carrying amount \$'000	2021 Market rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial instruments					
QIC - Long Term Diversified Fund	669,244	(66,924)	(66,924)	66,924	66,924
QIC - Diversified Australian Equities Fund	194,403	(19,440)	(19,440)	19,440	19,440
QIC - International Equities Fund	202,865	(20,287)	(20,287)	20,287	20,287
QIC - Short Term Income Fund	62,301	(6,230)	(6,230)	6,230	6,230
QIC - Cash Enhanced Fund	12,383	(1,238)	(1,238)	1,238	1,238
QIC - Diversified Fixed Interest Fund	31,122	(3,112)	(3,112)	3,112	3,112
<b>Potential impact</b>	<b>1,172,318</b>	<b>(117,232)</b>	<b>(117,232)</b>	<b>117,232</b>	<b>117,232</b>

+ / - 10%	Carrying amount \$'000	2020 Market rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial instruments					
QIC - Long Term Diversified Fund	569,399	(56,940)	(56,940)	56,940	56,940
QIC - Diversified Australian Equities Fund	149,854	(14,985)	(14,985)	14,985	14,985
QIC - International Equities Fund	159,739	(15,974)	(15,974)	15,974	15,974
QIC - Short Term Income Fund	18,995	(1,900)	(1,900)	1,900	1,900
QIC - Cash Enhanced Fund	12,362	(1,236)	(1,236)	1,236	1,236
QIC - Diversified Fixed Interest Fund	30,647	(3,065)	(3,065)	3,065	3,065
<b>Potential impact</b>	<b>940,996</b>	<b>(94,100)</b>	<b>(94,100)</b>	<b>94,100</b>	<b>94,100</b>

## Building and Construction Industry (Portable Long Service Leave) Authority

### Notes to the Financial Statements

for the year ended 30 June 2021

#### 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 \$254,000 (2019-20: \$223,000) if there was a +/- 1% fluctuation in investment markets.

+ / - 1%	Carrying amount \$'000	2021 Interest rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial instruments					
Cash and cash equivalents	25,401	(254)	(254)	254	254
<b>Potential impact</b>		<b>(254)</b>	<b>(254)</b>	<b>254</b>	<b>254</b>

+ / - 1%	Carrying amount \$'000	2020 Interest rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial instruments					
Cash and cash equivalents	22,270	(223)	(223)	223	223
<b>Potential impact</b>		<b>(223)</b>	<b>(223)</b>	<b>223</b>	<b>223</b>

#### D3 CONTINGENCIES

As at 30 June 2021, there were no contingent assets or liabilities.

#### D4 COMMITMENTS

##### Capital expenditure commitments

Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2021 \$'000	2020 \$'000
<i>Intangibles</i>		
Not later than 1 year	887	105
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
<b>Total</b>	<b>887</b>	<b>105</b>

#### D5 EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no events occurring after balance date which would materially affect the financial statements or disclosures.

#### D6 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 and interpretations with future effective dates are either not applicable to the Authority's activities or have no material impact on the Authority.

# Building and Construction Industry (Portable Long Service Leave) Authority

## Notes to the Financial Statements

for the year ended 30 June 2021

### SECTION 5

#### OTHER INFORMATION

## E1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

### Details of key management personnel

The following details for non-Ministerial KMP reflect those positions that had authority and responsibility for planning, directing and controlling the activities of the Authority during 2020-21 and 2019-20. Further information about these positions can be found in the body of the Annual report under the section relating to The Board.

Position	Position Responsibility
Board Director	Commercial policy and management of the Authority
General Manager	Management of the Authority under direction of the Board

The following persons held the position of Board Director during the year ended 30 June 2021.

Ms Peta Irvine	Chair
Ms Melanie Woodward	Deputy Chair
Mr Stephen Baker	Worker Representative (AWU)
Ms Penny Cornah	Employer Representative (MPAQ)
Ms Sue-Ann Fresneda	Employer Representative (QMBA)
Mr Damian Long	Employer Representative (CCF Qld)
Mr Arturo Menon	Worker Representative (CFMEU)
Mr Peter Ong	Worker Representative (ETU)

### KMP remuneration policies - Chair and Directors

Board members remuneration is guided by 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 and paid in accordance with the remuneration assessment approved by Cabinet.

Annual remuneration expenses for the Chair and Directors is intended to include all meetings, with no additional payments for Committee meetings and comprise the following components:

Short term employee expenses including: annual salary amounts paid in twelve equal instalments or as appropriate to align with that part of the year representing their KMP occupation.

### KMP remuneration policies - General Manager

Annual remuneration expenses for the General Manager comprise the following components:

Short term employee expenses include salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position;

Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.

Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

### Remuneration expenses

The following disclosures focus on the expenses incurred by the Authority attributable to non-Ministerial KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the statement of comprehensive income.



## Building and Construction Industry (Portable Long Service Leave) Authority

### Notes to the Financial Statements

for the year ended 30 June 2021

#### E1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (continued)

##### Remuneration expenses (continued)

2020-21

Position	Short term employee expenses		Long term employee expenses	Post-employment expenses	Termination benefits	Total
	Monetary expenses \$'000	Non-monetary benefits \$'000	\$'000	\$'000	\$'000	\$'000
Helen Sharpley - Acting General Manager	216	-	12	23	-	251
Ms Peta Irvine	6	-	-	-	-	6
Ms Melanie Woodward	4	-	-	-	-	4
Mr Stephen Baker	5	-	-	-	-	5
Ms Penny Cornah	5	-	-	-	-	5
Ms Sue-Ann Fresneda	5	-	-	-	-	5
Mr Damian Long	4	-	-	-	-	4
Mr Arturo Menon	5	-	-	-	-	5
Mr Peter Ong	5	-	-	-	-	5
<b>Total Remuneration</b>	<b>255</b>	<b>-</b>	<b>12</b>	<b>23</b>	<b>-</b>	<b>290</b>

2019-20

Position	Short term employee expenses		Long term employee expenses	Post-employment expenses	Termination benefits	Total
	Monetary expenses \$'000	Non-monetary benefits \$'000	\$'000	\$'000	\$'000	\$'000
Helen Sharpley - Acting General Manager	206	-	9	20	-	235
Ms Peta Irvine	5	-	-	-	-	5
Ms Melanie Woodward	4	-	-	-	-	4
Mr Stephen Baker	4	-	-	-	-	4
Ms Penny Cornah	4	-	-	-	-	4
Ms Sue-Ann Fresneda	4	-	-	-	-	4
Mr Damian Long	4	-	-	-	-	4
Mr Arturo Menon	4	-	-	-	-	4
Mr Peter Ong	4	-	-	-	-	4
<b>Total Remuneration</b>	<b>239</b>	<b>-</b>	<b>9</b>	<b>20</b>	<b>-</b>	<b>268</b>

Board attendance fees were paid directly to Ms P Irvine, Ms M Woodward and Mr D Long. Board attendance fees were paid to the nominated organisation for Ms P Cornah (Master Plumbers Association of Queensland), Ms S Fresneda (Master Builders Association of Queensland), Mr S Baker (Australian Workers Union), Mr Peter Ong (Electrical Trades Union) and Mr Arturo Menon (Construction, Forestry, Maritime, Mining and Energy Union).

##### Performance Payments

No KMP remuneration packages provide for performance or bonus payments.

#### E2 RELATED PARTY TRANSACTIONS

##### Transactions with people/entities related to KMP

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

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

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

## Building and Construction Industry (Portable Long Service Leave) Authority

### Notes to the Financial Statements

for the year ended 30 June 2021

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#### **E3 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY**

##### **Accounting standards applied for the first time**

No Australian Accounting Standards or interpretations have been applied to the Authority for the first time in 2020-21.

##### **Accounting standards early adopted**

No Australian Accounting Standards have been early adopted for 2020-21.

#### **E4 TAXATION**

The activities of the Authority are exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Authority. GST credits receivable from, and GST payable to the ATO, are recognised (refer to Note C2).

The collection of levies is not subject to GST.

#### **E5 CLIMATE RISK DISCLOSURE**

The Authority has not identified any material climate related risks relevant to the financial report at the reporting date, however constantly monitors the emergence of such risks under the Queensland Government's Climate Transition Strategy.

##### Current Year Impacts

No adjustments to the carrying value of recorded assets or other adjustments to the amounts recorded in the financial statements were recognised during the financial year.

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

for the year ended 30 June 2021

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These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements.

In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Building and Construction Industry (Portable Long Service Leave) Authority for the financial year ended 30 June 2021 and of the financial position of the Authority at the end of that year.

We acknowledge responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



**H Sharpley**  
**Acting General Manager**

31 August 2021



**P Irvine**  
**Chairperson**

31 August 2021

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the audit of the financial report

#### Opinion

I have audited the financial report of the Building and Construction Industry (Portable Long Service Leave) Authority.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2021, 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 summaries of significant accounting policies and other explanatory information, and the certificates given by the Chair and the Acting General Manager.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

#### Responsibilities of the entity 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 the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

## Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## Report on other legal and regulatory requirements

### Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

### Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



Sri Narasimhan  
as delegate of the Auditor-General

31 August 2021

Queensland Audit Office  
Brisbane

## INTERSTATE SCHEMES

### VICTORIA

#### CoInvest

Level 6, 478 Albert Street  
East Melbourne VIC 3002  
Telephone: (03) 9664 7677  
Email: [info@coinvest.com.au](mailto:info@coinvest.com.au)  
[www.coinvest.com.au](http://www.coinvest.com.au)

### NEW SOUTH WALES

#### Long Service Corporation

32 Mann Street  
Gosford NSW 2250  
Telephone: 13 14 41  
Email: [info@longservice.nsw.gov.au](mailto:info@longservice.nsw.gov.au)  
[www.longservice.nsw.gov.au](http://www.longservice.nsw.gov.au)

### SOUTH AUSTRALIA

#### Portable Long Service Leave

155 Fullarton Road  
Rose Park SA 5067  
Telephone: (08) 8332 6111  
Email: [hello@portableleave.org.au](mailto:hello@portableleave.org.au)  
[www.portableleave.org.au](http://www.portableleave.org.au)

### AUSTRALIAN CAPITAL TERRITORY

#### Long Service Leave Authority

Unit 1, 28 Thynne Street  
Bruce ACT 2617  
Telephone: (02) 6247 3900  
Email: [construction@actleave.act.gov.au](mailto:construction@actleave.act.gov.au)  
[www.actleave.act.gov.au](http://www.actleave.act.gov.au)

### TASMANIA

#### TasBuild Ltd

Level 3, 6 Bayfield Street  
Rosny Park TAS 7018  
Telephone: (03) 6294 0807  
Email: [secretary@tasbuild.com.au](mailto:secretary@tasbuild.com.au)  
[www.tasbuild.com.au](http://www.tasbuild.com.au)

### WESTERN AUSTRALIA

#### My Leave

Level 3, 50 Colin Street  
West Perth WA 6005  
Telephone: (08) 9476 5400  
Email: [hi@myleave.wa.gov.au](mailto:hi@myleave.wa.gov.au)  
[www.myleave.wa.gov.au](http://www.myleave.wa.gov.au)

### NORTHERN TERRITORY

#### NT Build

32-33/12 Charlton Court  
Woolner NT 0820  
Telephone: 1300 795 855  
Email: [info@ntbuild.com.au](mailto:info@ntbuild.com.au)  
[www.ntbuild.com.au](http://www.ntbuild.com.au)

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### PUBLIC AVAILABILITY

This annual report can be viewed online at [www.qlleave.qld.gov.au](http://www.qlleave.qld.gov.au)

Copies of this report are available from:

#### QLLeave

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1300 QLEAVE  
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### ADDITIONAL INFORMATION

Information on consultancies, overseas travel and Queensland Language Services Policy can be accessed at [www.qld.gov.au/data](http://www.qld.gov.au/data).



### INTERPRETER SERVICE STATEMENT

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





**PORTABLE**  
LONG SERVICE  
LEAVE

**Building and Construction Industry**  
(Portable Long Service Leave) Authority

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