

Contract Cleaning Industry
(Portable Long Service Leave) Authority

annual report
2020
21

- **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.
- **VALUES** – To support us in achieving our strategic goals, the scheme 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

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QLeave administers the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005* on behalf of the Contract Cleaning Industry (Portable Long Service Leave) Authority. For specific details of the statutory reporting requirements please access the QLeave – Building and Construction Industry (Portable Long Service Leave) Authority Annual Report 2020-21 at www.qleave.qld.gov.au

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LETTER OF COMPLIANCE

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

27 August 2021

Dear Minister

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

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements can be accessed at 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



Sue Ryan
ACTING CHAIRPERSON
Contract Cleaning Industry (Portable Long Service Leave) Authority



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ABOUT THE AUTHORITY

QLeave administers the portable long service leave scheme for workers and employers in the contract cleaning industry in Queensland.

The scheme is funded by an actuarially determined levy on registered employers and the investment of these collected funds.

At 30 June 2021, the scheme had 73,380 workers and 962 employers registered. In 2020-21, over \$1.66 million in long service leave claims were paid to industry workers and employers, and over \$3.6 million in levy payments were collected from employers.

The Board was reappointed on 1 July 2020. The Board's current term is ongoing up to and including 30 June 2023. We were pleased to continue working with the Board to achieve the objectives of the scheme's Strategic Plan 2020-24 to ensure the needs of current and future workers are met.

The Board is responsible for managing the scheme's investments and ensuring the authority is administered in an appropriate, effective and efficient way. At 30 June 2021, the scheme had a total income of \$17 million due to the net fair gain on investments of \$7.3 million and additional income from investments of \$6.1 million.

In February 2021, Mr Don Brown resigned as Chairperson of the Board. We would like to take this opportunity to thank Mr Brown for his efforts and service to the Board over the years to help ensure a level playing field for the contract cleaning industry.

The COVID-19 pandemic continued to impact the scheme and its administration. Queensland Parliament passed temporary amendments to the scheme'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, the scheme paid five financial hardship payments totalling \$28,148 to industry workers impacted by COVID-19.

The Board approved the continuation of a dedicated compliance project for the year to improve industry compliance with legislative obligations. The continuation of this project and investment of additional resources to aid it supported our strategic goal; increasing the number of employers registered with the Scheme by 5% over three years. Activities commenced during this project continued throughout the 2020-21 financial year to once again surpass this strategic goal. QLeave engaged its internal auditor, BDO to perform a review of the effectiveness and efficiency of the scheme's compliance project. BDO will be providing its report, along with any recommendations, next financial year.

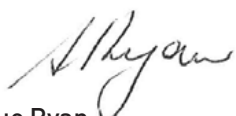
To protect our data, build the trust of our members and prevent cybercrime, an Information Security Management System (ISMS) for QLeave was implemented in September 2020. QLeave leveraged trusted cybersecurity expertise to complement our internal capacity and capability resources to deliver the ISMS.

QLeave engaged an external contractor to undertake a review of QLeave's client service and compliance processes. A report of findings identifying areas for improvement was submitted and the majority of recommendations were implemented. The recommendations ensure that claims are only paid to workers taking leave and to ensure penalties are charged for late or non-payment of levies.

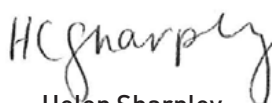
QLeave's revised values were embedded so staff have a clear understanding of the importance of their contribution to the team, and feel recognised. QLeave has also commenced a renewed focus on training that will continue into the new financial year to ensure we are fair and consistent in our decision making and providing clear information to our customers.

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.



Sue Ryan
ACTING 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 scheme	→ 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 scheme responsibly	→ use data to ensure that the decisions we make support long-term sustainability of the scheme 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 the scheme	→ 10% increase in positive response from clients surveyed who indicate that they are adequately informed, updated and consulted by the scheme	→ 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

CLIENT SERVICES

PERFORMANCE MEASURES

	2016-17	2017-18	2018-19	2019-20	2020-21
Workers registered	43,689	44,589	55,228*	63,893*	73,380
Active workers**	18,486	19,276	21,166	21,678	22,799
Employers registered	694	730	784	870	962
Number of claims paid to employers	90	120	122	85	61
Value of claims paid to employers	\$0.35M	\$0.36M	\$0.33M	\$0.24M	\$0.25M
Number of claims paid to workers	348	431	433	388	298
Value of claims paid to workers	\$1.49M	\$1.89M	\$2.00M	\$1.87M	\$1.41M
Levy collected	\$3.78M	\$4.04M	\$3.39M	\$3.35M	\$3.64M
Levy paid electronically	97%	99%	99%	99%	99%

* The increase in workers registered is due to a delay in effecting cancellation of inactive members (the 'four year rule' process).

** Active workers are workers who have recorded service in one of the previous four quarters.

We remain committed to delivering services that exceed the expectations of our customers and stakeholders.

The client service team continued to respond to clients through multiple channels, to assist workers and employers with enquiries regarding eligibility, service and claims. This included helping workers who were experiencing financial hardship to access their long service leave entitlements.

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. Using data, the team were able to better respond to the peak volumes throughout the year to ensure we were able to provide excellence in service delivery.

To meet our customer service commitments, QLeave's client service leadership team attended specialised training on quality assurance frameworks in a call centre environment.

In 2020-21 we received over 3,306 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 the scheme's enabling legislation. In this reporting period, activities included ad-hoc and annual surveying of our customers (workers and employers), 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 and concern 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 made long service leave payments to:

- 298 registered workers, under the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005*
- 61 registered employers who received reimbursement of long service leave benefits paid directly to their employees under the *Industrial Relations Act 2016*
- one interstate portable long service leave scheme in reimbursement of claims paid to workers for work performed in Queensland.

The scheme continued to process financial hardship claims until the legislative provisions ended on 31 December 2020. During the period 26 May to 31 December 2020, the scheme paid a total of five financial hardship claims to the value of \$28,148.17 to contract cleaning workers.

COMPLIANCE REPORT

Our focus is to ensure a level playing field within the contract cleaning industry, where all liable employers are registered, reporting service for their workers and paying the associated levies each quarter.

In 2020, the Board approved the extension of a dedicated compliance project that commenced in 2018 for a further year. Under this project, we focused on educating employers about how to meet their legislative obligations. We achieved this by undertaking stakeholder engagement activities to raise industry knowledge and understanding of the scheme, by working closely with industry partners to deliver education to employers and by conducting compliance investigations.

When the project commenced in 2018, the strategic goal was to increase employer registration by 5%. This target was well exceeded with growth in registered employers increasing by 23.29% over the three years. 412 additional employers were registered over the three year period with the further benefit of 11,293 workers becoming registered. A total of \$1,417,522 additional levy was collected as a result of project activities.

In 2020-21, one of our new activities involved using data obtained from external sources, including the Australian Business Register (ABR). This data was used to identify potentially liable employers and provide information to them about their legislative obligations under the Act. This pilot is still underway and while early results have shown some success, further work needs to be undertaken to refine the data selection. Once we have gained greater confidence in the data, we will conduct monthly reporting from the ABR with the view of engaging employers early to ensure they have a clear understanding of their obligations and are registered with the scheme.

A new compliance strategy was developed that sets the direction for the scheme 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.

Towards the end of the financial year, QLeave engaged its internal auditors, BDO to undertake a review of the effectiveness and efficiencies of QLeave's compliance function for the contract cleaning industry scheme. The recommendations from this review are expected in the new financial year, which will help inform the development of the scheme's annual compliance plan.

In 2020-21, we processed 32 missing service requests for workers whose employers had not recorded their eligible service. This process also identified eight unregistered employers who were not complying with their obligations. Compliance initiatives were complemented by ongoing education and awareness programs to maximise the industry's understanding of their legislative requirements.

INTERNAL REVIEW

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

This year we processed three reconsideration applications. Of these, one decision was upheld, one was overturned and one is unclear as to the decision (no date or outcome provided). We use the data from these reconsiderations to effect business improvement in our processes to reduce reconsiderations in the future.



ENGAGING WITH STAKEHOLDERS

The scheme is focused on maintaining a strong, credible brand that is recognised within the contract cleaning industry as being accessible and fair.

In 2020-21, the scheme engaged with stakeholders across Queensland to provide education, support and promote scheme awareness. Our engagement activities included presenting at industry events, participating in webinars, visiting locations where contract cleaners are engaged, supporting industry awards and holding trade displays at stakeholder events.

We shared information through industry partners including the Building Services Contractors Association of Australia (BSCAA), Inclean Magazine and the Cleaning Accountability Framework.

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 the state. We presented information about the scheme to employers during webinars hosted by our industry partners. Where possible we visited regional centres in Queensland to attend sites and meet with key stakeholders in the region.

WEBSITE VISITS

The QLeave website is the primary communication channel for engaging with our customers and industry stakeholders. In 2020-21, visits to contract cleaning pages on our website exceeded 40,000. Over 25% of these visits were to access QLeave's online services.

Over 65% of users access the website via their desktop. Mobile traffic now accounts for approximately 31% of all visits to the website. The continued shift to mobile remains front of mind when constructing website content and determining service delivery.

SITE VISITS AND EVENT SPONSORSHIP

During 2020-21 we visited contract cleaning sites across Queensland, to meet with industry workers and provide assistance with enquiries related to claims, missing service and eligibility.

We also continued to generate scheme awareness through the sponsorship of industry events, including the 2020 BSCAA Queensland Excellence Awards. Event attendance was limited 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

The scheme returned a net addition to fund of \$10.7 million and a balance sheet equity position of \$60.1 million during the 2020-21 financial year.

Total income of \$17.0 million was 122.5% higher than 2019-20. The increase was mainly due to the net fair value gain on investments of \$7.3 million and additionally income from investments of \$6.1 million; driven by the rapidly recovering US & Australian economies, helped along by significant fiscal and monetary stimulus.

The total expenditure of \$6.3 million was 322.6% higher than 2019-20. The increase was mainly due to an increase in portable long service leave scheme benefits of \$4.8 million.

The statement of financial position reflects the scheme's sound financial status with a net asset position of \$60.1 million at the end of the financial year. This indicates that the scheme has an appropriate level of assets to cover all liabilities including future claims. The scheme is now 341% 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 the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005*, allowing workers early access to their long service leave entitlement under the *Justice and Other Legislation (COVID-19 Emergency Response) Amendment Act 2020*. 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

QLLeave has estimated that the cost to serve is \$20.04 per client as at 30 June 2021, which is a decrease from \$20.30 in 2019-20. The decrease is attributed to an increase in registered members and employers of approximately four thousand during the financial year; offset by a minor increase in administration costs of \$65 thousand.

QLLeave'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 \$3.6m	↑ \$300k 9%	Levies revenue is consistent with prior year.
Income from investments \$6.1m	↑ \$4.1m 315%	Strong performance of markets in 2021.
Net fair value gain on investments \$7.3m	↑ \$10.8m 309%	Strong performance of markets in 2021.
Supplies and services (\$1.5m)	\$0 0%	No material movement compared to 2020.
Increase in portable long service leave scheme benefits expense (\$4.8m)	↑ \$10.7m 181%	Balance represents the movement in the Provision for Scheme Benefit balance since 2020.

STATEMENT OF FINANCIAL POSITION

Classes of transactions, account balances or disclosures	Change	Key drivers
Total current assets \$84.7m	↑ \$13.6m 19%	Increase in fair value for investments.
Current and non-current provision for scheme benefits \$24.4m	↑ \$3.1m 15%	\$4.8m increment in provision less \$1.7m payments for the year.
Net assets \$60.1m	↑ \$10.7m 22%	\$13m increase in investments balance, offset by a \$3.1m increase in Provisions.

EXPLANATIONS OF SIGNIFICANT BUDGET VERSUS ACTUAL VARIANCES

Investment income is \$6.5 million ahead of budget due to a higher than expected gross return of 19.1% (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 \$275,000 due to higher than expected leviable contract cleaning activity to support pandemic-driven increased cleaning regimens.

Supplies and services are under budget by \$236,000 due to 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 under budget by \$2.6 million due to a lower 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

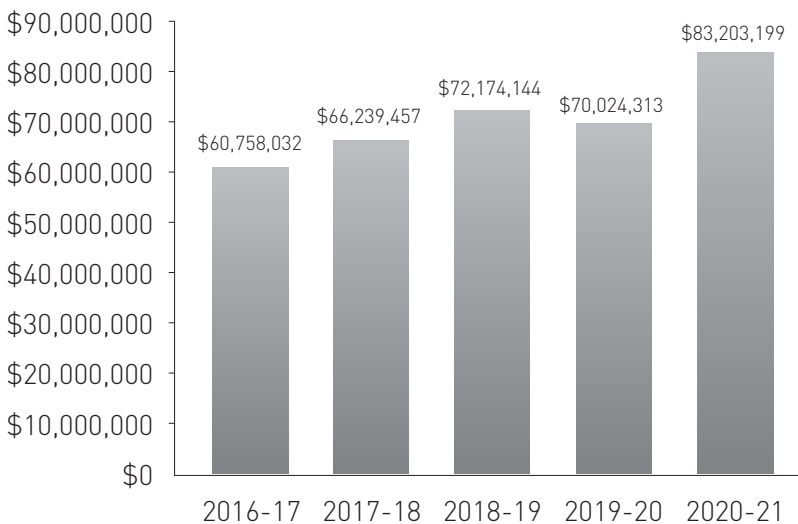
QLeave commenced a project in 2021 to upgrade its ERP system due to the recent communication from Microsoft deeming the current ERP system, NAV2015 to be 'end of life software' with limited Microsoft support from January 2020.

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

Investment returns play a significant part in ensuring the sustainability of the Scheme. This is necessary to cater for the increase in the long service leave liability and to maintain levy rates at the lowest possible level.

Investment balances 2016-2021



GOVERNANCE

THE BOARD

The Board reports to the Honourable Grace Grace MP, Minister for Education, Minister for Industrial Relations and Minister for Racing.

The Contract Cleaning Industry (Portable Long Service Leave) Scheme (the 'scheme') is administered by QLeave, on behalf of the Authority. QLeave is remunerated through an administration charge arrangement.

The role of the Board includes:

- responsibility for the Authority's commercial policy and management
- determining the strategic direction and overseeing development of the annual Strategic Plan
- monitoring strategic goals and managing risks
- monitoring financial performance
- ensuring that the Authority 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 1 July 2020 and is due to expire on 30 June 2023.

The Board consists of six directors:

- the chairperson
- the deputy chairperson
- two directors representing employers in the contract cleaning industry
- two directors representing workers in the contract cleaning industry.

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

The relationship between the Board and QLeave's executive management is one of direct, open communication and full disclosure of relevant information relating to the scheme'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 contract cleaning industry. The Board is proactive in identifying factors affecting the contract cleaning 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:	vacant
Deputy Chairperson:	Sue Ryan
Employer Representatives:	Ken Holder, Kim Puxty
Worker Representatives:	Damien Davie, Natalia Pantano

Mr Don Brown was reappointed as Chairperson on 1 July 2020 but subsequently resigned from the position in February 2021.



FOCUS FOR THE BOARD 2020-21

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

- ensure continued support that enabled the scheme to extend assistance to contract cleaning workers impacted by the COVID-19 pandemic
- support legislative change that allowed relaxation of provisions of the Act for workers experiencing financial hardship as a result of the COVID-19 pandemic
- actively manage the investment portfolio to prevent realisation of investment losses due to continuing market volatility
- manage the investment portfolio in accordance with the Investment Strategy
- monitor the actuarial position to ensure the sufficient funds and the adequacy of the levy rate
- monitor the progress and achievements of the dedicated three-year compliance project
- endorse the annual budget prior to seeking the Minister's approval
- endorse the financial statements for Queensland Audit Office certification.

REMUNERATION

The Board is classified as Regulation, Administration and Advice - Level 3 category body under the Remuneration for Part-time Chairs and Members of Government Boards, Committees and Statutory Authorities. Directors are remunerated per meeting attended.

BOARD PERFORMANCE ASSESSMENT

The Board directors undertake an annual Board performance evaluation to highlight achievements throughout the financial 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 the Authority's progress towards its goals, training needs and open channels of communication.

BOARD SECRETARIAT

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

- arranging and scheduling Board meetings, setting agendas, circulating papers and reports, attending and minuting meetings
- ensuring that documents presented to the Board 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.



DIRECTORS OF THE BOARD

→ DON BROWN, CHAIRPERSON

Mr Brown draws on his extensive experience as a member of the Queensland Industrial Relations Commission and the Queensland Workplace Rights Ombudsman. Mr Brown brings to the Board a comprehensive range of skills in dispute and conflict resolution, industrial relations issues, achieving consensus on matters of sensitivity and confidentiality, complex strategy development and implementation, convening, chairing and facilitating high level meetings and conferences.

Mr Brown was first appointed as Chairperson in 2017, and resigned from the Board in February 2021.

→ SUE RYAN, BBus (Accounting), GAICD, DEPUTY CHAIRPERSON

Ms Ryan has a broad range of experience in senior executive government positions in roles that included policy development and service delivery, corporate governance and financial and investment management.

As Chief Financial Officer, Ms Ryan had strategic oversight of budgets up to \$1 billion and her financial experience extended to providing strategic analysis and advice to a State Government Minister on financial position, trends and investment decisions.

Ms Ryan also developed and implemented grants programs, investment reprioritisation initiatives, investment programs and benefits realisation frameworks.

Ms Ryan currently serves as Chairperson and independent member of a number of Audit and Risk Committees.

Ms Ryan holds a Bachelor of Business (Accounting) and is also a graduate of the Australian Institute of Company Directors.

Ms Ryan was first appointed to the Board as Deputy Chairperson in 2017.

→ KEN HOLDER BA, MA (Hons), MBA, GAICD, JP (Qual), EMPLOYER REPRESENTATIVE

Mr Holder has been the CEO and a Director of Pickwick Group Pty Ltd for the past 13 years. He is also a Director of its Indigenous joint venture partner, Pickwick 1A Facilities Services Pty Ltd. These integrated facilities services companies provide contract cleaning and associated services to a wide range of commercial and industrial businesses and government organisations throughout Australia and New Zealand.

Mr Holder has over 30 years' business experience in the private sector, including facility services, building, industrial and manufacturing products, and forestry. Prior to Pickwick, he spent over 20 years in general management and senior marketing and business development roles with several international publicly listed companies based in New Zealand, Australia and Canada.

Mr Holder holds a Bachelor of Arts, Master of Arts (Hons) and MBA. He is a graduate of the Australian Institute of Company Directors and is a Justice of the Peace.

Mr Holder was first appointed to the Board in 2014.



→ **KIM PUXTY, DipBus, JP, GAICD, EMPLOYER REPRESENTATIVE**

Ms Puxty is the Manager of Ellems Cleaning Service Pty Ltd.

Ms Puxty has been a Board member of the Building Service Contractors Association of Australia (BSCAA Queensland Division) since 2010 and the BSCAA National Board since 2017. She is the past President of BSCAA Queensland Division (2015-19) and was appointed President of BSCAA National Division in 2019.

Ms Puxty has over 20 years' experience in the contract cleaning industry, within both administration and operations areas and has extensive knowledge of issues affecting industry employers. Her administration experience in the commercial cleaning industry includes human resources, payroll, accounts, quality assurance and managing of client profiles.

Ms Puxty has also managed client accounts for large associations and government entities.

Ms Puxty holds a Diploma of Management and a number of industry related certificates, is a Justice of the Peace and a graduate of the Australian Institute of Company Directors.

Ms Puxty was first appointed to the Board in 2011.

→ **DAMIEN DAVIE, WORKER REPRESENTATIVE**

Mr Davie is the National Property Services Coordinator for the United Workers' Union (formerly United Voice Union) and has represented the interests of contract cleaning industry workers for over 16 years. His previous role was Strategic Coordinator and Lead Organiser.

Mr Davie's role covers all contract cleaners in Queensland, as well as the industries of contract security and contract catering. Additionally, Mr Davie is a member of the Union's National Strategic Steering Group which develops policies for wages and conditions, deals with issues affecting contract cleaners and develops national standards for wages.

Mr Davie travels extensively throughout Queensland to liaise with both contract cleaning workers and employer companies, to promote the best interest of workers in the industry, resolve workplace issues and negotiate fair and equitable working conditions for contract cleaning industry workers. Mr Davie has also been a member of the Australian Super Advisory Panel since 2017 and is a member of the Australian Institute of Company Directors.

Mr Davie has served as a director on the Board since 2010.

→ **NATALIA PANTANO, Bachelor Sciences (Pontificia Universidad Janeriana), WORKER REPRESENTATIVE**

Ms Pantano has been an organiser with the United Workers' Union since 2010, representing contract cleaners and security officers.

Ms Pantano is hands-on, highly skilled and solutions focused, working for the improvement of worker rights. Her career demonstrates expertise and outstanding performance in providing industrial and employment advice to contract cleaning workers, and liaising with employer groups and industry organisations.

Ms Pantano is actively involved with the Queensland Community Alliance providing information to international students and vulnerable workers about exploitation and compliance with the *Labour Hire Licensing Act 2017*.

Ms Pantano holds a Bachelor Sciences from the Pontificia Universidad Janeriana.

Ms Pantano was first appointed to the Board in 2017.



RISK MANAGEMENT

ACTUARIAL REPORTING

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

The Authority's actuary, Mercer Consulting, forecasts 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 May 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 preference of the Board
- provide projections of the scheme's future financial position.

INTERNAL AUDIT

The scheme's internal audit function is fully outsourced to BDO.

The internal audit program comprises an integrated approach to the issues of governance, risk management and compliance. The focus of the program for 2020-21 included:

- CRM health check
- CFO assurance
- fraud and corruption control (FCC) review and development of a FCC plan
- business impact analysis
- information security management system
- risk appetite statement development
- contract cleaning industry compliance project review.

RISK MANAGEMENT COMMITTEE

QLeave's Risk Management Committee meets every month. The Risk Management Committee reports to the Building and Construction Industry Board through the Finance, Audit and Risk Management Committee.

The role of the Risk Management Committee is to:

- monitor the effectiveness of the risk management framework and implement improvements
- identify emerging risks and changes to existing risks
- identify themes from incidents, events, complaints and issues
- discuss key strategies to mitigate strategic and operational risks
- foster a positive, risk-aware culture across QLeave.

A report from the Finance Audit and Risk Management Committee is provided to the Contract Cleaning Industry Board each meeting.



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 Board in April for approval. In August, the findings, recommendations and audited financial statements are presented 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*.





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

The scheme 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.

The scheme 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

THE SCHEME’S RISKS & 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 the scheme’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 scheme represents their needs.

OPPORTUNITIES

- We will support the long-term sustainability of the scheme 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 the scheme

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 the scheme 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 the scheme
- Four year rule process undertaken for the contract cleaning industry scheme annually to remove ineligible workers from the scheme

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

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

**Contract Cleaning Industry
(Portable Long Service Leave) Authority**
For the Year Ended 30 June 2021

Contract Cleaning Industry (Portable Long Service Leave) Authority

Financial Statements

For the Year Ended 30 June 2021

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Contract Cleaning Industry (Portable Long Service Leave) Authority

Statement of Comprehensive Income

for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
OPERATING RESULT			
Income from continuing operations			
Portable long service leave levies	B1-1	3,635	3,350
Income from investments	B1-2	6,073	1,833
Net fair value gain on investments	B1-3	7,312	(3,484)
Interest		4	3
Decrease in portable long service leave scheme benefits	C5	-	5,948
Total income from continuing operations		17,024	7,650
Expenses from continuing operations			
Employee expenses		-	7
Supplies and services	B2-1	1,534	1,493
Impairment losses	B2-2	40	-
Increase in portable long service leave scheme benefits	C5	4,765	-
Total expenses from continuing operations		6,339	1,500
Operating result from continuing operations		10,685	6,150
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		10,685	6,150

The accompanying notes form part of these financial statements.

Contract Cleaning Industry (Portable Long Service Leave) Authority

Statement of Financial Position

as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Current assets			
Cash and cash equivalents	C1	629	213
Receivables	C2	878	885
Investments	C3	83,203	70,024
Total current assets		84,710	71,122
Total assets		84,710	71,122
Current liabilities			
Payables	C4	208	405
Provision for scheme benefits	C5	14,100	13,800
Total current liabilities		14,308	14,205
Non-current liabilities			
Provision for scheme benefits	C5	10,300	7,500
Total non-current liabilities		10,300	7,500
Total liabilities		24,608	21,705
Net assets		60,102	49,417
Equity			
Accumulated surplus		60,102	49,417
Total equity		60,102	49,417

The accompanying notes form part of these financial statements.

Contract Cleaning Industry (Portable Long Service Leave) Authority
Statement of Changes in Equity

for the year ended 30 June 2021

	Accumulated surplus \$'000
Balance as at 1 July 2019	43,267
Total comprehensive income for the year	6,150
Balance at 30 June 2020	<u>49,417</u>
Total comprehensive income for the year	10,685
Balance at 30 June 2021	<u><u>60,102</u></u>

The accompanying notes form part of these financial statements.

Contract Cleaning Industry (Portable Long Service Leave) Authority
Statement of Cash Flows

for the year ended 30 June 2021

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2021	2020
		\$'000	\$'000
<i>Inflows:</i>			
Interest receipts		3	3
Portable long service leave levies		3,622	3,354
GST input tax credits from ATO		169	136
<i>Outflows:</i>			
Employee expenses		-	(9)
Supplies and services		(1,579)	(1,526)
Portable long service leave		(1,665)	(2,106)
GST paid to suppliers		(148)	(144)
Net cash provided by (used in) operating activities	CF-1	<u>402</u>	<u>(292)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Inflows:</i>			
Proceeds from investments		206	499
<i>Outflows:</i>			
Investment expenses paid		(192)	(185)
Net cash provided by investing activities		<u>14</u>	<u>314</u>
Net increase in cash and cash equivalents		416	22
Cash and cash equivalents - opening balance		213	191
Cash and cash equivalents - closing balance	C1	<u>629</u>	<u>213</u>

The accompanying notes form part of these financial statements.

Contract Cleaning 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	2020
	\$'000	\$'000
Operating surplus/(deficit)	10,685	6,150
<i>Adjustments to investment items:</i>		
Investment income	(13,385)	1,651
Investment expense	192	185
<i>Changes in assets and liabilities</i>		
Increase/(decrease) in PLSL scheme benefits provision	3,100	(8,054)
Decrease/(increase) in receivables	7	(4)
(Decrease)/increase in payables	(197)	(220)
Net cash provided by (used in) operating activities	402	(292)

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

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 *Contract Cleaning Industry (Portable Long Service Leave) Act 2005*. 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 2005.

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 DETAILS

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 Acting Chair of the Authority's Board and the Acting General Manager of QLeave at the date of signing the management certificate.

A1-5 BASIS OF MEASUREMENT

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

- Provisions expected to be settled 12 or more months after 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.

Contract Cleaning Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2021

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-5 BASIS OF MEASUREMENT (continued)

Fair value

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

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. 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 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 contract cleaning industry in accordance with the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005*.

The Authority is funded by a levy imposed on worker wages, currently 0.75%, and the income earned on 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 does not employ staff. The Acting General Manager of the Authority is the person appointed as the Acting General Manager of the Building and Construction Industry (Portable Long Service Leave) Authority (BCI or QLeave) and manages the business of the Authority. QLeave provides the Authority with the staff and administrative support services that it requires to carry out its functions. Costs shown in the statement of comprehensive income under supplies and services represents QLeave's fee for these services.

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 *Contract Cleaning Industry (Portable Long Service Leave) Act 2005*, 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.

Contract Cleaning 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>3,635</u>	<u>3,350</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 applicable to the last quarter, April to June 2021, has been estimated and accrued based on levies received year to date and specifically the average of the three quarter return periods, July 2020 to March 2021.

B1-2 INCOME FROM INVESTMENTS

	2021	2020
	\$'000	\$'000
Distribution from:		
QIC Cash Enhanced Fund	83	195
QIC Long Term Diversified Fund	4,734	750
QIC Diversified Australian Equities Fund	700	416
QIC International Equities Fund	<u>556</u>	<u>472</u>
Total	<u>6,073</u>	<u>1,833</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 Cash Enhanced Fund		
Earnings	80	133
Less: Distributions	<u>(83)</u>	<u>(195)</u>
Fair value movement	(3)	(62)
QIC Long Term Diversified Fund		
Earnings	7,250	(844)
Less: Distributions	<u>(4,734)</u>	<u>(750)</u>
Fair value movement	2,516	(1,594)
QIC Diversified Australian Equities Fund		
Earnings	3,327	(952)
Less: Distributions	<u>(700)</u>	<u>(416)</u>
Fair value movement	2,627	(1,368)
QIC International Equities Fund		
Earnings	2,728	12
Less: Distributions	<u>(556)</u>	<u>(472)</u>
Fair value movement	2,172	(460)
Total fair value movement	<u>7,312</u>	<u>(3,484)</u>

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.

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

Contract Cleaning Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2021

B2 EXPENSES

B2-1 SUPPLIES AND SERVICES

	2021	2020
	\$'000	\$'000
QLeave fees ⁽¹⁾⁽²⁾⁽⁴⁾	1,337	1,216
Audit fees ⁽²⁾	-	8
Contractor charges	-	30
Fund management fees ⁽³⁾	195	185
Insurance premiums - QGIF ⁽⁴⁾	-	2
Other expenses	2	52
Total	1,534	1,493

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.

QLeave fees

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

Audit fees

(2) The total audit fees quoted by the Queensland Audit Office relating to the external audit of the 2020-21 financial statements are estimated to be \$14,000 (2019-20: \$13,000). There are no non-audit services included in this amount. For the 2020-21 financial year, the audit fees are included in the QLeave fees.

Fund management fees

(3) Fund management fees are charged by Queensland Investment Corporation for the management of the Authority's investments.

Insurance premiums - QGIF

(4) The Authority's risks are insured through the Queensland Government Insurance Fund and premiums are paid on a risk assessment basis. In addition, the Authority pays premiums to WorkCover Queensland in respect of its obligations for Director compensation. For the 2020-21 financial year, the Insurance premiums - QGIF are included in the QLeave fees.

B2-2 IMPAIRMENT LOSSES

	2021	2020
	\$'000	\$'000
Trade receivables	40	-

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.

Contract Cleaning 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	<u>629</u>	<u>213</u>

Accounting policy - Cash and cash equivalents

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

C2 RECEIVABLES

	2021	2020
	\$'000	\$'000
Trade debtors	61	82
Less: Loss allowance	<u>(32)</u>	<u>(4)</u>
	29	78
Accrued revenue *	830	766
GST input tax credits receivable	<u>19</u>	<u>41</u>
	849	807
Total	<u>878</u>	<u>885</u>

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 end of a return quarter. Settlement of these amounts is required within 14 days from the end of the quarter.

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

* Includes the fourth quarter levy revenue accrual

C3 INVESTMENTS

	2021	2020
	\$'000	\$'000
QIC - Cash Enhanced Fund	9,594	9,720
QIC - Long Term Diversified Fund	46,863	39,613
QIC - Diversified Australian Equities Fund	14,214	10,887
QIC - International Equities Fund	<u>12,532</u>	<u>9,804</u>
Total	<u>83,203</u>	<u>70,024</u>

Accounting policy - Investments

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

C4 PAYABLES

	2021	2020
	\$'000	\$'000
Trade creditors	191	385
Accrued charges	<u>17</u>	<u>20</u>
Total	<u>208</u>	<u>405</u>

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, net of applicable trade and other discounts. Amounts owing are unsecured and generally settled on 30 day terms.

Contract Cleaning Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2021

C5 PROVISION FOR SCHEME BENEFITS

	2021 \$'000	2020 \$'000
Current		
Provision for scheme benefits expected to be settled within 12 months	2,400	2,100
Provision for scheme benefits expected to be settled after 12 months	11,700	11,700
Total *	14,100	13,800
Non-current		
Provision for scheme benefits	10,300	7,500
Total	24,400	21,300

Movement in provisions

Balance as at 1 July	21,300	29,354
Additional provision recognised	4,765	(5,948)
Reductions in provisions from payments	(1,665)	(2,106)
Balance as at 30 June	24,400	21,300

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 *Contract Cleaning Industry (Portable Long Service Leave) Act 2005* and *Regulations*.

Scheme eligible members as at 30 June were 73,380 (2019-20: 63,893).

* The total current provision of \$14.1 million (2019-20: \$13.8 million) represents the value for which the Authority does not have an unconditional right to defer settlement for at least 12 months. The Authority only expects to pay \$2.4 million (2019-20: \$2.1 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 *Contract Cleaning Industry (Portable Long Service Leave) Act 2005* at intervals of at least every two years to investigate the sufficiency of the Authority's funds and the adequacy of the rate of long service leave levy. The Authority ensures an independent actuarial assessment is undertaken in accordance with legislation.

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 4 May 2021 was prepared utilising 18 February 2021 worker data based on a number of assumptions.

The major assumptions used in the actuarial valuation of the scheme benefits were:

- The long-term investment return of 3.8% per annum net of management fees (2019-20: 4.5% per annum).
- The rate of wage increase of 2.0% per annum (2019-20: 3.0% per annum).
- The real rate of return of 1.8% per annum (2019-20: 1.5% per annum).
- The prescribed award wage rate of \$853.48 from 1 July 2021 (\$832.96 from 1 July 2020).

The provision has been discounted using a rate of 3.8% reflecting the long-term rate of return on the Authority's assets to determine the present value.

Contract Cleaning 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 costs (and/or estimate of such costs) for assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Fair value measurement hierarchy

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

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

D1-2 BASIS FOR FAIR VALUES OF ASSETS AND LIABILITIES

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

D1-3 CATEGORISATION OF 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
Financial assets								
Investments								
QIC Cash Enhanced Fund	-	-	9,594	9,720	-	-	9,594	9,720
QIC Long Term Diversified Fund	-	-	46,863	39,613	-	-	46,863	39,613
QIC Diversified Australian Equities Fund	-	-	14,214	10,887	-	-	14,214	10,887
QIC International Equities Fund	-	-	12,532	9,804	-	-	12,532	9,804
Total	-	-	83,203	70,024	-	-	83,203	70,024

Contract Cleaning 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 Cash Enhanced Fund		
Carrying amount at 1 July	9,720	10,086
Plus		
Earnings	80	133
Contributions	-	-
Distributions Reinvested	83	195
Less		
Distributions	(83)	(195)
Redemptions	-	(300)
Redemptions - Fees	(206)	(199)
Carrying amount at 30 June	9,594	9,720
QIC Long Term Diversified Fund		
Carrying amount at 1 July	39,613	40,456
Plus		
Earnings	7,250	(844)
Contributions	-	-
Distributions Reinvested	4,734	751
Less		
Distributions	(4,734)	(750)
Redemptions	-	-
Redemptions - Fees	-	-
Carrying amount at 30 June	46,863	39,613
QIC Diversified Australian Equities Fund		
Carrying amount at 1 July	10,887	11,839
Plus		
Earnings	3,327	(952)
Contributions	-	-
Distributions Reinvested	700	416
Less		
Distributions	(700)	(416)
Redemptions	-	-
Redemptions - Fees	-	-
Carrying amount at 30 June	14,214	10,887
QIC International Equities Fund		
Carrying amount at 1 July	9,804	9,793
Plus		
Earnings	2,728	12
Contributions	-	-
Distributions Reinvested	556	471
Less		
Distributions	(556)	(472)
Redemptions	-	-
Redemptions - Fees	-	-
Carrying amount at 30 June	12,532	9,804
Total Carrying amount at 30 June	83,203	70,024

Contract Cleaning Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2021

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 financial liabilities:

Category	Note	2021 \$'000	2020 \$'000
Financial assets			
Cash and cash equivalents	C1	629	213
Financial assets at amortised cost:			
Receivables	C2	878	885
Financial assets at fair value through profit or loss:			
QIC - Cash Enhanced		9,594	9,720
QIC - Long Term Diversified Fund		46,863	39,613
QIC - Diversified Australian Equities Fund		14,214	10,887
QIC - International Equities Fund		12,532	9,804
	C3	<u>83,203</u>	<u>70,024</u>
Total financial assets		<u>84,710</u>	<u>71,122</u>
Financial liabilities			
Financial liabilities at amortised cost:			
Payables	C4	208	405
Total financial liabilities		<u>208</u>	<u>405</u>

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

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 C4) and payments for long service leave claims (Note C5).
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><i>Interest rate risk</i> is the risk that the fair value or future cash flows of the 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) which is subject to variable interest rates.</p>

Contract Cleaning 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 (continued)

(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 <i>debtor management strategy</i> . 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	The Authority manages liquidity risk through the use of a <i>liquidity management strategy</i> . This strategy aims to reduce the exposure to liquidity risk by ensuring the Authority has sufficient funds available to meet all obligations as they fall due. This is achieved by ensuring that appropriate levels of cash are held within various accounts in accordance with the Authority's investment strategy so as to meet the expected liabilities.
Market risk	Price sensitivity analysis Interest rate sensitivity analysis	To manage the risk of a decline in portfolio value due to adverse movements in market price the QIC investment structure diversified in 2018-19 to include the QIC International Equities Fund and the QIC Diversified Australian Equities Fund. The Authority does not undertake any hedging in relation to interest risk. 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. QLeave as the Authority's service provider, 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.

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 statutory amounts net of any allowances:

Category	Note	2021 \$'000	2020 \$'000
Financial assets			
Receivables	C2	<u>878</u>	<u>885</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.

Financial liabilities	2021 Total \$'000	Contractual maturity			2020 Total \$'000	Contractual maturity		
	\$'000	<1 year \$'000	1-5 years \$'000	>5 years \$'000	\$'000	<1 year \$'000	1-5 years \$'000	>5 years \$'000
Payables	<u>208</u>	208	-	-	<u>405</u>	405	-	-

Contract Cleaning 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

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 \$8.32 million (2019-20: \$7.00 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 - Cash Enhanced Fund	9,594	(959)	(959)	959	959
QIC - Long Term Diversified Fund	46,863	(4,686)	(4,686)	4,686	4,686
QIC - Diversified Australian Equities Fund	14,214	(1,421)	(1,421)	1,421	1,421
QIC - International Equities Fund	12,532	(1,254)	(1,254)	1,254	1,254
Potential Impact	83,203	(8,320)	(8,320)	8,320	8,320

+ / - 10%	Carrying amount \$'000	2020 Market rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial Instruments					
QIC - Cash Enhanced Fund	9,720	(972)	(972)	972	972
QIC - Long Term Diversified Fund	39,613	(3,961)	(3,961)	3,961	3,961
QIC - Diversified Australian Equities Fund	10,887	(1,089)	(1,089)	1,089	1,089
QIC - International Equities Fund	9,804	(980)	(980)	980	980
Potential Impact	70,024	(7,002)	(7,002)	7,002	7,002

D3 CONTINGENCIES

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

D4 EVENTS OCCURRING AFTER THE REPORTING DATE

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

D5 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

At the date of authorisation of the financial report, the expected impact of new and amended Australian accounting standards and interpretations with future effective dates are either not applicable to the Authority's activities or have no material impact on the Authority.

Contract Cleaning Industry (Portable Long Service Leave) Authority

Notes to 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 Director during the year ended 30 June 2021.

Mr Donald Brown	Chair (1st July 2020 - 08 February 2021)
Ms Susanne Ryan*	Acting Chair (29 April 2021 to 30 June 2021) and Deputy Chair
Mr Damien Davie	Worker Representative (UVU) (UWU – United Workers Union)
Mr Kenneth Holder	Employer Representative (BSCAA)
Ms Natalia Pantano	Worker Representative (UVU) (UWU – United Workers Union)
Ms Kim Puxty	Employer Representative (BSCAA)

**Following the resignation of Mr Donald Brown as Chair on 08 February 2021, Ms Susanne Ryan is acting in the position until a new chair is appointed.*

KMP remuneration policies

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.

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.

Short term employee expenses represent board attendance fees, paid following each meeting attended.

2020-21

Position	Short term employee expenses		Long term employee expenses	Post employment expenses	Termination benefits	Total
	Monetary expenses \$	Non-monetary expenses \$	\$	\$	\$	\$
Mr Donald Brown	1,560	-	-	-	-	1,560
Ms Susanne Ryan	1,590	-	-	-	-	1,590
Mr Damien Davie	600	-	-	-	-	600
Mr Kenneth Holder	1,500	-	-	-	-	1,500
Ms Natalia Pantano	1,500	-	-	-	-	1,500
Ms Kim Puxty	1,200	-	-	-	-	1,200
Total Remuneration	7,950	-	-	-	-	7,950

Contract Cleaning 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)

2019-20

Position	Short term employee expenses		Long term employee expenses	Post employment expenses	Termination benefits	Total
	Monetary expenses \$	Non-monetary expenses \$	\$	\$	\$	\$
Mr Donald Brown	1,170	-	-	-	-	1,170
Ms Susanne Ryan	990	-	-	-	-	990
Mr Damien Davie	900	-	-	-	-	900
Mr Kenneth Holder	1,200	-	-	-	-	1,200
Ms Natalia Pantano	900	-	-	-	-	900
Ms Kim Puxty	1,200	-	-	-	-	1,200
Total Remuneration	6,360	-	-	-	-	6,360

All directors excluding Ms N Pantano and Mr D Davie were paid for board attendance. Board attendance fees for Ms N Pantano and Mr D Davie were paid to the United Workers Union (UWU).

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

From time to time, particular Directors of the Authority may be required to comply with the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005* in respect of payment of levies for their own business undertakings in cleaning work. The levying of these charges is on the same terms and conditions as those entered into by other liable parties.

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

Accounting standards early adopted

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

Accounting standards applied for the first time

No Australian Accounting Standards or Interpretations that apply to the Authority for the first time in 2020-21 have any material impact on the financial statements.

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 CONTRACT CLEANING INDUSTRY
(PORTABLE LONG SERVICE LEAVE) AUTHORITY**

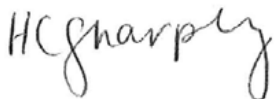
for the year ended 30 June 2021

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 Contract Cleaning 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

26 August 2021



S Ryan
Acting Chair

26 August 2021

INDEPENDENT AUDITOR'S REPORT

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

Report on the audit of the financial report

Opinion

I have audited the financial report of the Contract Cleaning 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 Acting 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 Accounting 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 Accounting 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 Accounting 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

AUSTRALIAN CAPITAL TERRITORY

Long Service Leave Authority
Unit 1, 28 Thynne Street
Bruce ACT 2617
Telephone: (02) 6247 3900
Email: cleaning@actleave.act.gov.au
www.actleave.act.gov.au

NEW SOUTH WALES

Long Service Corporation
32 Mann Street
Gosford NSW 2250
Telephone: 13 14 41
Email: info@longservice.nsw.gov.au
www.longservice.nsw.gov.au

VICTORIA

Portable Long Service Leave Authority
Level 1, 56-60 King Street
Bendigo VIC 3550
Telephone: 1800 517 158
Email: enquiries@plsa.vic.gov.au
www.vic.gov.au/portable-long-service

PUBLIC AVAILABILITY

This annual report can be viewed online at www.qleave.qld.gov.au

Copies of this report are available from:

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1300 QLEAVE
yoursay@qleave.qld.gov.au
ISSN 1837-0586

ADDITIONAL INFORMATION

Information on consultancies, overseas travel and Queensland Language Services Policy can be accessed at 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

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(Portable Long Service Leave) Authority

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