# Contract Cleaning Industry (Portable Long Service Leave) Authority

21/22





# Acknowledgement of Country

We acknowledge the Traditional Owners of the lands from across Queensland and pay respect to Elders past, present and emerging as we meet and operate. We are committed to being part of the reconciliation journey so we can work towards addressing the issues that prevent Aboriginal and Torres Strait Islander peoples from having the same opportunities as others.

# Human rights commitment

We will respect, protect and promote human rights in our decision-making and actions by building a culture that supports the *Human Rights Act 2019*.

## About the annual report

The annual report is an important accountability document that reports the Authority's nonfinancial and financial performance. This annual report provides a record of achievements against QLeave's Strategic Plan 2021–25, the body that administers the *Contract Cleaning Industry (Portable Long Service Leave) Act 2020* on behalf of the Contract Cleaning Industry (Portable Long Service Leave) Authority.

# **OUR STRATEGIC GOVERNANCE**

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

## 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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16 September 2022

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

## Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2021–22 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*.

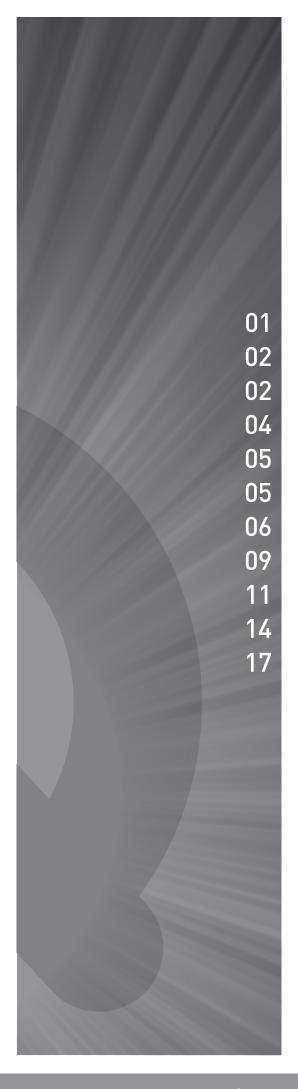
A checklist outlining the annual reporting requirements can be accessed at www.qleave.qld.gov.au. This report is prepared on the basis of the current administrative arrangements for this agency applying for the whole of the 2021-22 financial year.

Yours sincerely

John Thompson CHAIRPERSON

John Frompsouls.

Contract Cleaning Industry (Portable Long Service Leave) Authority



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# ABOUT THE AUTHORITY

QLeave administers the portable long service leave scheme for the Contract Cleaning Industry (Portable Long Service Leave) Authority (the Authority), for workers and employers in Queensland's contract cleaning industry. For details of the annual mandatory reporting requirements for QLeave, refer to the QLeave – Building and Construction Industry (Portable Long Service Leave) Authority Annual Report 2021-22 at www.qleave.qld.gov.au.

The scheme operates through a statutory authority which is governed by a Board with expertise in governance, finance and risk, with members who represent workers, employers, and the contract cleaning industry.

Under the Contract Cleaning Industry (Portable Long Service Leave) Act 2020, workers can accrue long service leave entitlements based on their service to the industry rather than continuous service with a single employer. The portable long service leave scheme does not alter the entitlements of long-term employees but provides access for employees who, in the past, have not been able to accrue long service leave because of the nature of their work.

The scheme commenced on 1 July 2005 and is funded by an actuarially informed levy paid by registered employers, and the investment of these collected funds. The levy rate has been 0.75% since 1 July 2018.

As of 30 June 2022, the scheme had 64,696 workers and 1,002 employers registered. Since 2005, long service leave payments totalling \$18.1 million have been paid to industry workers. In the 2021–22 financial year, long service leave claims of \$1.6 million were paid to 358 workers.

The COVID-19 pandemic and market volatility due to global economic factors, including the ongoing armed conflict in Europe impacted the Authority's investment funds. QLeave continues to monitor any market impacts on its investments to ensure they are in line with the Board-approved Investment Strategy.

During 2021–22, we continued to engage with peak bodies and associations to raise scheme awareness. In addition, we have directly supported employers and workers to understand how portable long service leave works. As travel and event restrictions gradually eased, we started to engage face-to-face for the first time. In-person meetings and presentations, supported by online resources, grew our visibility and presence within the industry.

During 2021-22, we focused on delivering our core business effectively and ensuring contract cleaning workers and employers were adequately supported. In March 2022, we replaced our Customer Relationship Management system which enabled the launch of a new portal for industry employers and workers. Employers completed their first return in the new system in April 2022, and the feedback was largely positive. For the first time, workers could log in to view their current long service leave accrual, update their contact details and claim their long service leave online.

The key focus for 2021–22 was ensuring equity for those who operate in the contract cleaning industry. To provide a level playing field, QLeave developed and implemented an interim compliance framework that identified frequent recidivist entities that continued to fail to meet legislative obligations. Several fines were issued, and further investigations continue to ensure appropriate enforcement action.

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

We are also appreciative of the ongoing efforts and contributions of employees, management and board members. Particular thanks go to Ms Natalia Pantano, who resigned from the Contract Cleaning Industry Board effective 7 December 2021; and Ms Helen Sharpley, former General Manager, who commenced initiatives that continue.

As we look towards 2022–23 and implementing our new Strategic Plan, our vision is focused on making a positive difference for our industries – today, tomorrow and in the future. The Board and QLeave's management are committed to putting our people first, providing service with purpose, ensuring scheme sustainability and delivering functional and operational excellence.

# QUEENSLAND GOVERNMENT'S OBJECTIVES FOR THE COMMUNITY

The Queensland Government's objectives for the community are built around the Unite and Recover—Queensland's Economic Recovery Plan.

QLeave on behalf of the scheme contributes to the following Queensland Government's objectives for the community:

- → **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.

# STRATEGIC OBJECTIVES AND PERFORMANCE

Our Strategic Plan 2021–25 sets out our vision and includes the following strategic objectives, strategies and measures. We assessed our performance in meeting the objectives for 2021–22 by using the measures to indicate our levels of success and where further work on enhancing service delivery and building organisational sustainability will continue into 2022–23.

STRATEGIC OBJECTIVE 1: DELIVERING EFFICIENT, EFFECTIVE, VALUE-ADD SERVICES FOR ALL OUR MEMBERS.

# Strategies:

- → 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.

MEASURES	PERFORMANCE
New registrations exposing QLeave to the greatest risk in terms of scheme entitlements are assessed for eligibility at registration instead of at claim time	→ Implemented: Worker eligibility assessments are completed at the time of registration for 'high risk' worker types.
→ 100% of new registrations receive a welcome pack within three months of registering with QLeave	→ Implemented: All welcome packs for workers in the contract cleaning industry have been automated.
→ Four-year-rule process undertaken for the building and construction and contract cleaning industry schemes annually to remove ineligible workers from the schemes	→ Implemented: Recommenced the annual four-year-rule cycle and completed the four-year-rule process for the scheme by May 2022.

## STRATEGIC OBJECTIVE 2: BUILDING ORGANISATIONAL SUSTAINABILITY

# Strategies:

- $\rightarrow$  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
- $\rightarrow$  actively increasing the confidence of levy payers and employers in QLeave.

MEASURES	PERFORMANCE
→ 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	→ In progress: High risk worker and employer types were audited as part of the Compliance Plan activities during 2022. An Audit pilot plan was completed for 100 randomly selected worker and employer registrations on QLeave's register which included the scheme, with the learnings to be applied for future compliance activities.

## STRATEGIC OBJECTIVE 3: MAINTAINING A TRUSTWORTHY BRAND

# Strategies:

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

MEASURES	PERFORMANCE
→ Achieve ISMS attestation by 30 September 2021	→ Implemented: QLeave submitted the annual Information Security Management System (ISMS) attestation and evidence on 30 September 2021 to the Queensland Government Cyber Security Unit.
→ 80% of feedback received from stakeholder satisfaction surveys that suggests business improvements is actioned by 30 June 2022	→ In progress: A market research project commenced during 2021–22. A range of business improvements are expected in 2022–23 and intended for future implementation.

# **CLIENT SERVICE DELIVERY**

We engage with workers, employers, and other stakeholders via multiple channels, and use these interactions to inform workers and employers about their obligations and entitlements.

The following table details our key metrics comparing results between 2020–21 and 2021–22.

PERFORMANCE MEASURES	2020–21	2021–22
Workers registered	73,380	64,696
Active workers	22,799	24,241
Employers registered	962	1,002
Number of claims paid to employers	61	91
Value of claims paid to employers	\$0.25m	\$0.3m
Number of claims paid to workers	298	358
Value of claims paid to workers	\$1.41m	\$1.6m
Levy revenue	\$3.64m	\$4m
Levy paid electronically	99%	100%

QLeave recognises the importance of using data to support enhanced service delivery and organisational performance.

QLeave used stakeholder feedback to improve service delivery, including enhancements to processes and system functionality for a better user experience.

During 2021–22, we received 3,228 in-bound calls, in addition to email interactions. We continued to use our quality assurance program to ensure our scheme participants received accurate and efficient information.

During 2021–22, we sent 52,760 statements to registered workers in the contract cleaning industry.

In 2021–22, we continued the implementation of new business systems. This included the introduction of a new Customer Relationship Management for the contract cleaning industry. In February 2022, training was provided to our relevant staff supporting the contract cleaning industry, and on 14 March 2022, the new system went live.

# **COMPLIANCE REPORT**

Compliance in the contract cleaning industry involved major change during 2021–22, with the introduction of an enhanced compliance program for the contract cleaning industry. The compliance program was implemented to focus on significant non-compliance rates in the contract cleaning industry scheme, specifically around the levy payment and registrations with the scheme.

The Contract Cleaning Industry compliance program focused on increasing site visit surveillance to ensure a visible presence of QLeave in the industry, as well as the re-introduction of issuing of civil penalty units and comprehensive investigations for non-compliance. Additional QLeave resourcing was dedicated to improving the capability of the compliance function to undertake enforcement activities, and reinforcing QLeave's commitment to increasing voluntary compliance in the scheme.

The future of the Contract Cleaning Industry compliance program in 2022–23 will see more targeted site visits to enable education and engagement with industry partners, as well as applying a data-driven and risk-based approach to identifying non-compliant entities for further enforcement action.

# ENGAGING WITH STAKEHOLDERS

During 2021–22, we continued to ensure the scheme focused on maintaining a strong and credible brand that was recognised within the contract cleaning industry as being accessible and equitable.

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, and supporting industry awards.

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

# **DIGITAL ENGAGEMENT**

Digital engagement remained a priority as we transitioned contract cleaning employers and workers to a new online portal, offering greater self-service options than provided previously. QLeave supported employers through this transition with user guides and resources such as videos available on our website.

In April 2022, we launched the new online portal for employers and workers. The portal allows employers to complete their quarterly returns, pay their levy, claim reimbursement for long service leave, and manage their workers online. Likewise, workers can access their registration, see how they accrue entitlements and update their contact details online. The portal launch for workers represented a significant improvement in customer experience for industry workers.

#### **WEBSITE VISITS**

The QLeave website remains the primary communication channel for engaging with scheme participants. In 2021–22, we had over 25,800 visitors to our contract cleaning website.

Mobile device traffic accounts for nearly one-third of all website visits. Recognising the growing shift to mobile device usage, particularly among workers, we ensured all updates to our website and online portal would improve customer experience on these devices.

#### SITE VISITS AND EVENT SPONSORSHIP

During 2021–22 we visited contract cleaning sites across Queensland to meet with industry workers and respond to claims, eligibility, and missing work history enquiries.

We continued to raise scheme awareness by supporting industry events and maximising opportunities to provide attendees with information about our focus areas and approach to compliance within the contract cleaning industry.

# FINANCIAL PERFORMANCE

The Authority has ended the financial year with a negative income position due to sustaining a net fair value loss on investments during the last half of 2021-22.

## SUMMARY OF FINANCIAL PERFORMANCE AND POSITION

QLeave returned a net deficit to fund of \$5.4 million and a balance sheet equity position of \$54.7 million during the 2021-22 financial year.

The total income of negative \$0.3 million was 101.5% lower than 2020–21. The decrease was due to the net fair value loss on investments of \$7.4 million driven by a downward market shift during the last half of 2021–22 and offset by income from investments of \$3.1 million.

Portable long service leave levies of \$4 million were 9.8% higher than 2020–21, driven by an increase in contract cleaning work hours.

The total expenditure of \$5.1 million was 19% lower than 2020–21. The decrease was mainly due to a 32.2% lower portable long service leave scheme benefits expense, than 2021–22.

The statement of financial position reflects QLeave's sound financial status with a net asset position of \$54.7 million at the end of the financial year, 2021–22. This indicates that QLeave has an appropriate level of assets to cover all liabilities including future claims. The scheme is now 310.2% funded.

## STATEMENT OF COMPREHENSIVE INCOME

Classes of transactions, account balances or disclosures	Change	Key drivers
Portable long service leave levies \$4m	\$0.4m 10%	Increase was due to increased contract cleaning work hours.
Income from investments \$3.1m	\$3.0m 49%	Decrease was due to lower distribution income received during 2021–22.
Net fair value loss on investments (\$7.4m)	\$14.7m 201%	Decrease reflected performance of investment markets in the second half of 2021–22.
Supplies and services (\$1.9m)	↑ \$0.4m 24%	Increase was due to higher costs incurred in the implementation of the new Customer Relationship Management software.
Portable long service leave scheme benefits expense (\$3.2m)	\$1.5m 32%	Decrease reflected the movement in the scheme provision since 2020–21.

## STATEMENT OF FINANCIAL POSITION

Classes of transactions, account balances or disclosures	Change	Key drivers
Total current assets \$81m	\$3.7m 4%	Decrease reflected the reduction in fair value for investments.
Current and non-current provision for scheme benefits \$25.7m	↑ \$1.3m 5%	Increase was due to the \$3.2m increase in provision offset by \$1.9m claim payments for 2021–22.
Net assets \$54.7m	\$5.4m 9%	Decrease was due to a decrease in fair value for investments and an increase in the provision for scheme benefits, since 2020–21.

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

Net fair value loss on investments is \$10.2 million behind budget due to a lower than expected gross return of -5.1% (budget 3.6%) on investments; offset by income from investments ahead of budget by \$3.1 million.

Portable long service leave levies were ahead of budget by \$0.6 million due to higher than expected contract cleaning work hours.

The portable long service leave scheme benefits expense is under budget by \$3.1 million due to a lower than expected increase to the provision for scheme benefits, as per the actuarial review finalised in May 2022.

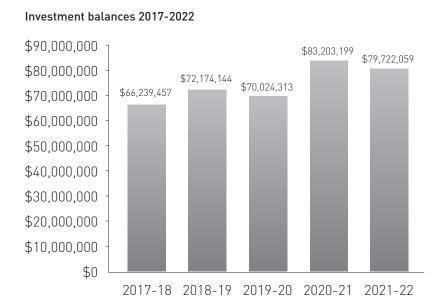
## ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM UPGRADE

QLeave uses an ERP system to manage its accounting which supports the automation and streamlining of processes related to levies and finance.

QLeave commenced an ERP system upgrade project in 2021 to upgrade its current system, which only receives limited developer support.

QLeave successfully completed the implementation of the ERP system upgrade project phase 1 during the 2021–22 financial year, which went 'live' on 1 December 2021. It is planned that the ERP System upgrade project phase 2, the final phase, will be completed during the 2022–23 financial year, with an expected 'go-live' date on 1 November 2022

As part of the ERP system upgrade project phase 2, QLeave will have the opportunity to implement enhancements to financial processes to embed better practice financial activities; and over the twelve months following implementation, work will commence to maximise the automation capability of the upgraded software and realise efficiencies.



## **ACTUARIAL REPORTING**

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

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 finalised in May 2022 was to:

- → examine the financial position of the scheme in relation to the long service leave entitlements accrued up to 30 June 2022
- $\rightarrow$  determine the theoretical long term levy rate assuming that the scheme was neither in surplus or deficit
- → recommend the future levy rate having regard to the financial position of the scheme and the funding objectives and risk preferences of the Board
- → provide projections of the scheme's future financial position under a number of scenarios.

## **EXTERNAL AUDIT**

The external audit function is undertaken by William Buck (Qld) as a contract auditor for the Queensland Audit Office (QAO). The external audit program and timetable are presented to the Board in April of each year for approval. Annually in August, the findings, recommendations and audited financial statements are presented to the Board for approval and subsequently to the Queensland Audit Office (QAO) for certification.

# INFORMATION TECHNOLOGY AND INNOVATION

QLeave's technology and information management systems are designed to meet our business needs by leveraging opportunities and innovation to provide greater business value. QLeave's Information Communication and Technology (ICT) Strategic Plan sets the strategic imperative for our ongoing journey to become a digital first organisation.

In building trust and maintaining business continuity, our technology must be reliable and secure to support our business activities, and inform decisions. An enterprise approach to technology and information solutions allows us to operate more cohesively and efficiently.

In 2021–22, QLeave undertook the following ICT initiatives and activities to enable reliable and secure service delivery to scheme participants:

- → migrated the QLeave website platform to Software as a Service (SaaS) cloud service
- → finalised the Formation Contract Cleaning Customer Relationship Management project.

In 2021–22 the following ICT initiatives and activities were undertaken in supporting QLeave's internal computing operating environment to enable continued service delivery:

- → migrated the data centre to a hybrid on-site and Azure cloud data centre
- → upgraded the existing Windows Virtual Desktop server environment to the new Azure Virtual Desktop environment to provide greater remote access capabilities
- → decommissioned the Log 360 monitoring server, and established regular reporting from the Azure and Fortinet firewall to improve QLeave capabilities against cyber threats
- → remediated cyber security risks and maintained information security integrity through ongoing vulnerability scanning, regular information alerts, and an ongoing 'phishing' training campaign for QLeave staff to raise awareness of cyber security risks
- ightarrow developed business intelligence and reporting dashboards, reporting metrics for QLeave organisational performance measures and Board
- → completed the QLeave Workforce Management System request for quote with the implementation scheduled to commence in financial year 2022–2023.

The ICT environment at QLeave continues to evolve to achieve the goals outlined in our ICT and data strategies and roadmaps, to raise information security capabilities and awareness, provide data and analytics for decision-making, enable remote and mobile work, ensure business continuity, sustainability and consistent user experience.

## INFORMATION PRIVACY

QLeave is committed to protecting the personal information it holds in accordance with its obligations under the *Information Privacy Act 2009* (IP Act) and Principles. The IP Act regulates how all Queensland Government agencies and contracted service providers collect, store, use, and disclose personal information.

# **RECORDS MANAGEMENT**

QLeave continued its commitment to quality information and records management. This included using technology to support sound decision-making, accountability, and compliance, and reducing reliance on paper records through automation and digitisation.

Our Information Systems Coordinator performs formal assignment of records management monitoring and advice. QLeave's management are advised weekly about the volume of records recorded in the electronic records management system, and improvement options for managing records. In addition, super users established within QLeave continue to communicate with and support staff about the agency's records management function and activities.

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

- → Records Management Policy
- → Records Governance Policy
- → Digitisation and Disposal Policy
- → Digital Recordings and Images Policy
- $\rightarrow$  Information Asset Custodian Policy.

An electronic document and records management system called Micro Focus Content Manager, is used by QLeave to manage and secure administrative records. We also use several business management systems to capture, secure and manage QLeave's information.

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

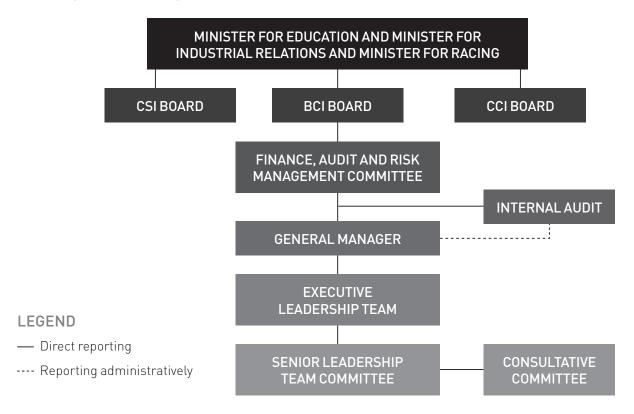
In 2021–22 the following initiatives and activities were undertaken:

- ightarrow continued education and engagement with staff regarding record-keeping obligations through the Content Manager Super Users Group
- ightarrow commenced the Content Manager and Connext integration to automate the creation and reopening of folders
- → conducted internal awareness training in records management for all staff to increase usage and acceptance of Content Manager for business documents and records
- → created Access Control Groups with Content Manager to associate different levels of access privileges for increased security.

QLeave administers the contract cleaning industry scheme using existing information and record-keeping systems for electronic document and records management to achieve compliance with the *Public Records Act 2002*, and Records Governance Policy.

# **GOVERNANCE AND ACCOUNTABILITY**

QLeave's governance arrangements as at 30 June 2022 are shown below.



The Contract Cleaning Industry (Portable Long Service Leave) Authority Board ('the Board') is appointed by the Governor-in-Council. The Board reports to the Honourable Grace Grace MP, Minister for Education, Minister for Industrial Relations and Minister for Racing.

The Contract Cleaning Industry (Portable Long Service Leave) Scheme is administered by QLeave, on behalf of the Contract Cleaning Industry (Portable Long Service Leave) Authority (the 'Authority'). QLeave is reimbursed for the provision of its services to the Authority through an administration charges arrangement.

The role of the Board includes:

- → effecting responsibility for QLeave's commercial policy and management
- → determining the strategic direction and overseeing the annual review and development of the strategic plan
- → ensuring, as far as possible, QLeave achieves and acts in accordance with its purpose and carries out its strategic priorities and objectives outlined in the strategic plan
- → monitoring performance against strategic goals
- → monitoring financial performance
- → oversight of strategic risks management
- → providing advice and recommendations to the Minister on issues affecting the provision of long service leave in the industry and the operation of the Act
- → ensuring that QLeave performs its functions appropriately, effectively and efficiently.

The Board operates under the provisions of the Act, 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 current Board's term commenced on 1 July 2020 and expires on 30 June 2023.

The Board consists of six directors:

- $\rightarrow$  the chairperson
- $\rightarrow$  the deputy chairperson
- → two directors representing employers in the contract cleaning industry
- → two directors representing workers in the contract cleaning industry.

The deputy chair must have 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 QLeave's 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 the high standard required by best practice corporate governance frameworks.

The Board for the financial year 2021-22, comprised the following directors:

→ **Chairperson:** John Thompson

→ Deputy Chairperson: Sue Ryan

→ **Employer Representatives:** Ken Holder, Kim Puxty

→ Worker Representatives: Damien Davie, Linda Revill (from 26 May 2022),

Natalia Pantano (until 7 December 2021).

# FOCUS FOR THE BOARD 2021-22

The major challenges and activities for the Board for the 2021–22 financial year were to:

- $\rightarrow$  assess the achievements and challenges of the dedicated three-year compliance project
- → monitor the transition of the compliance project to business as usual
- ightarrow discuss enhancement of an interim compliance strategy and relevant and on-going compliance activities
- → actively manage the investment portfolio to prevent realisation of investment losses
- → manage the investment portfolio in accordance with the Investment Strategy
- → monitor performance against the strategic plan
- ightarrow ensure the Internal Audit Plan and associated frameworks appropriately monitor QLeave's internal controls so they remain effective and adequate in minimising risk
- → ensure QLeave's management addresses any findings and recommendations of the internal and external audit functions in a timely manner
- → monitor the actuarial position to ensure sufficient funds and adequacy of the levy rate
- ightarrow endorse the annual budget prior to seeking Ministerial approval
- → endorse the financial statements for Queensland Audit Office certification.

The Chair and the Chairs of the Building and Construction Industry (Portable Long Service Leave) Authority Board and the Community Services Industry (Portable Long Service Leave) Authority Board attended a workshop with an external consultant to discuss aligning the three Boards' position on risk management and to develop a risk appetite statement across the organisation.

#### REMUNERATION

The Board is classified as a Regulation, Administration and Advice – Level 3 category body under the Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies. Directors are remunerated per meeting attended.

#### **BOARD PERFORMANCE ASSESSMENT**

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

#### **BOARD MEETINGS**

The Board met four times during 2021–22 and held one out of session meeting.

## **BOARD SECRETARIAT**

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

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

## **BOARD RECORDKEEPING**

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

# DIRECTORS OF THE BOARD

The following are the profiles of the Directors of the Contract Cleaning Industry Board.

## → JOHN THOMPSON – CHAIR

John Thompson has had significant involvement in a range of employment related activities for over 40 years that encompassed holding Commissions as a Commissioner of the Queensland Industrial Relations Commission (20 years) and the Australian Industrial Relations Commission (six years) – now the Fair Work Commission.

John also occupied a number of senior positions in the Trade Union movement that included the roles of General Secretary of the Queensland Council of Unions, Secretary of the Plumbers and Gasfitters Union and Executive Member of the Australian Council of Trade Unions.

Additionally, John has held a number of Directorships in organisations such as QSuper, Sunsuper, BUSSQ, Workcover Queensland, State Training Council Queensland, and Queensland Performing Arts Trust.

John is a Licensed Plumber and Drainer and holds a Mediation Practitioners Certificate (United Kingdom).

John was appointed as Chairperson of the Board in October 2021.

# ightarrow SUE RYAN, BBus (Accounting), GAICD – DEPUTY CHAIR

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

As Chief Financial Officer, Sue 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 the financial position, trends and investment decisions. Sue also developed and implemented grants programs, investment reprioritisation initiatives, investment programs and benefits realisation frameworks.

Sue currently serves as Chair and independent member to a number of Audit and Risk Committees.

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

Sue was first appointed to the Board as Deputy Chair in 2017.

# → KIM PUXTY, DipBus, CDec, GAICD – EMPLOYER REPRESENTATIVE

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

Kim 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 as President of BSCAA National Division in 2019.

Kim has over 20 years' experience in the contact cleaning industry, within both administration and operations areas, and has extensive knowledge of issues affecting industry employers. Her administration experience with the commercial cleaning industry includes areas such as human resources, payroll, accounts, quality assurance and managing client profiles. Kim has also managed client accounts for large associations and government entities.

Kim 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.

Kim was first appointed to the Board in 2011.

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

Ken Holder has been the Chief Executive Officer (CEO) of My Pathway Facilities Services (MPFS) since January 2022, and was previously CEO and a Director of another integrated facilities services company for 13 years. MPFS provides contract cleaning and related services to a wide range of commercial and industrial businesses and government organisations. It is part of the My Pathway group, a diverse social and economic development company providing employment, training, job creation, disability, IT and remote community services from the Torres Strait to Tasmania.

Ken has over 35 years' business experience in the private sector, including facility services, building and construction, industrial and manufacturing products, and forestry. He has held executive, marketing and business development roles with international publicly listed companies based in New Zealand, Australia and Canada.

Ken 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.

Ken was first appointed to the Board in 2014.

## → **DAMIEN DAVIE** – WORKER REPRESENTATIVE

Damien Davie is the National Property Services Coordinator for the United Workers' Union and has represented the interests of contract cleaning industry workers for over 17 years. His previous role was Strategic Coordinator and Lead Organiser.

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

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

Damien was first appointed to the Board in 2010.

# ightarrow LINDA REVILL – WORKER REPRESENTATIVE

Linda Revill has been a National Property Services Coordinator for the United Workers' Union for the last three years and represents the interests of contract cleaning industry workers. Her role covers all contract cleaners across Australia, with particular focus on Queensland, New South Wales and Victoria.

In her current role, Linda is required to travel throughout these States where she liaises with contract cleaning workers and employers. Linda's aim is to negotiate fair and equitable working conditions and resolve workplace issues, while promoting the interests of workers in the contract cleaning industry.

Linda has worked with the Union for 15 years and her previous role was Lead Organiser in the Early Childhood Educators and Care sector of the Union, representing Early Educators fighting for equal pay through the Big Steps Campaign.

Linda was appointed to the Board on 26 May 2022.

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

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

Natalia was first appointed to the Board in 2017 and resigned on 7 December 2021.

## INTERNAL AUDIT

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

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

The internal audit program has adopted an integrated approach on the issues of governance, risk management and compliance. The focus of the program for 2021–22 included:

- $\rightarrow$  compliance project audit
- $\rightarrow$  fraud and corruption controls
- $\rightarrow$  business impact analysis
- $\rightarrow$  governance framework review
- $\rightarrow$  delegations of authority
- $\rightarrow$  controlled documents.

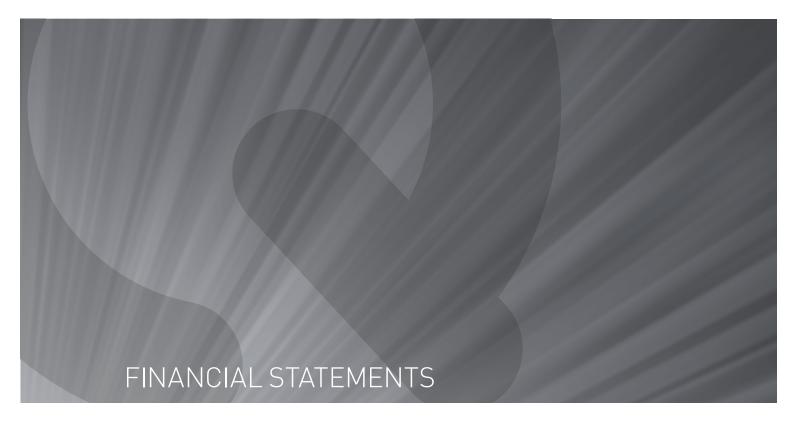
## RISK MANAGEMENT AND MANAGING RISKS

The Board and QLeave management strongly support an effective risk management culture that identifies and mitigates potential threats and opportunities impacting on meeting objectives to sustain the financial strength of QLeave. This is central to providing financial certainty to scheme participants, now and into the future.

QLeave manages risks by involving all business areas, which identify relevant risks and mitigation actions recorded in risk registers for implementation by the appropriate areas. These registers are reviewed by the Executive Leadership Team. The strategic risks are reviewed by the Finance, Audit and Risk Management Committee and the Boards and is a key input into the strategic planning cycle.

During 2021–22, QLeave continued to monitor fraud and corruption risks and implemented a number of controls to prevent fraud and corruption risks. QLeave's fraud and corruption risk management is supported by an issues management framework which includes an escalation and reporting mechanism to management. Monitoring of risks and issues were reviewed and then reported to the Board's Finance, Audit and Risk Management Committee.

During 2021–22, planning and resourcing efforts were undertaken to increase the focus on identifying risks and creating a stronger risk management-awareness culture. A consultant was engaged and developed a risk maturity roadmap to assist QLeave in planning risk management enhancements. QLeave will, through dedicated resourcing in 2022–23 concentrate on an enhanced enterprise risk management framework, increasing awareness and engagement, and streamlining risk review processes.



Contract Cleaning Industry (Portable Long Service Leave) Authority

For the Year Ended 30 June 2022

# Contract Cleaning Industry (Portable Long Service Leave) Authority

# **Financial Statements**

# For the Year Ended 30 June 2022

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# Contract Cleaning Industry (Portable Long Service Leave) Authority Statement of Comprehensive Income

for the year ended 30 June 2022

-			
OPERATING RESULT	Note	2022 \$'000	2021 \$'000
Income from continuing operations			
Portable long service leave (PLSL) levies Income from investments Net fair value (loss) gain on investments Interest Total income from continuing operations	B1-1 B1-2 B1-3	3,992 3,106 (7,357) 7 (252)	3,635 6,073 7,312 4 17,024
Expenses from continuing operations			
Supplies and services Impairment (reversals) losses Portable long service leave (PLSL) scheme benefits Total expenses from continuing operations	B2-1 B2-2 C5	1,908 (7) 3,232 <b>5,133</b>	1,534 40 4,765 <b>6,339</b>
Operating result from continuing operations		(5,385)	10,685
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE (LOSS) INCOME		(5,385)	10,685

# Contract Cleaning Industry (Portable Long Service Leave) Authority Statement of Financial Position

as at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	C1	167	629
Receivables	C2	1,089	878
Investments	C3	79,722	83,203
Prepayments	_	18	
Total current assets	- -	80,996	84,710
Total assets	- -	80,996	84,710
Current liabilities			
Payables	C4	579	208
Provision for scheme benefits	C5	14,800	14,100
Total current liabilities	- -	15,379	14,308
Non-current liabilities			
Provision for scheme benefits	C5	10,900	10,300
Total non-current liabilities	-	10,900	10,300
Total liabilities	- -	26,279	24,608
Net assets	- -	54,717	60,102
Equity			
Accumulated surplus		54,717	60,102
Total equity	-	54,717	60,102

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

for the year ended 30 June 2022

	Accumulated surplus \$'000
Balance as at 1 July 2020	49,417
Total comprehensive income for the year	10,685
Balance at 30 June 2021	60,102
Total comprehensive loss for the year	(5,385)
Balance at 30 June 2022	54,717

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

for the year ended 30 June 2022

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2022 \$'000	2021 \$'000
Inflows: Interest receipts Portable long service leave (PLSL) levies GST input tax credits from Australian Tax Office (ATO)		8 3,805 111	3 3,622 169
Outflows: Supplies and services Portable long service leave GST paid to suppliers Net cash provided by operating activities	CF-1	(1,315) (1,949) (136) <b>524</b>	(1,579) (1,665) (148) <b>402</b>
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows: Proceeds from investments		231	206
Outflows: Purchase of investments Investment expenses paid Net cash (used in) provided by investing activities		(1,000) (217) <b>(986)</b>	(192) 14
Net (decrease) increase in cash and cash equivalents		(462)	416
Cash and cash equivalents - opening balance Cash and cash equivalents - closing balance	C1	629 <b>167</b>	213 <b>629</b>

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

for the year ended 30 June 2022

# NOTES TO THE STATEMENT OF CASH FLOWS

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

	2022 \$'000	2021 \$'000
Operating (deficit)/surplus	(5,385)	10,685
Adjustments to investment items: Investment income Investment expense	4,250 217	(13,385) 192
Changes in assets and liabilities Increase/(decrease) in PLSL scheme benefits provision	1.300	3.100
(Increase)/decrease in receivables (Increase)/decrease in prepayments	(211) (18)	7
Increase/(decrease) in payables  Net cash provided by operating activities	371 <b>524</b>	(197) <b>402</b>

for the year ended 30 June 2022

#### **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 2021.

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 2020-21 financial statements and has been restated where necessary to be consistent with disclosures in the current reporting period.

#### Current / non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the statement of financial position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Authority does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

#### A1-4 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements are authorised for issue by the Chair of the Authority's Board and the General Manager 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.

for the year ended 30 June 2022

# 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 2021-22 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 General Manager of the Authority is the person appointed as the 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.

for the year ended 30 June 2022

# SECTION 2 NOTES ABOUT OUR FINANCIAL PERFORMANCE

В1	REVENUE			
B1-1	INCOME FROM LEVIES			
		2022	2021	
		\$'000	\$'000	
Portab	le long service leave (PLSL) levies	3,992	3,635	
B1-2	INCOME FROM INVESTMENTS			
		2022	2021	
		\$'000	\$'000	
	ution from:			
	Cash Enhanced Fund	12	83	
	ong Term Diversified Fund	1,291	4,734	
	Diversified Australian Equities Fund	947	700	
QIC II	nternational Equities Fund	856 3,106	556 <b>6,073</b>	
B1-3	NET FAIR VALUE GAIN (LOSS) ON	N INVESTMENTS		
		2022	2021	
		\$'000	\$'000	
	ash Enhanced Fund			
Earning	-	(35)	80	
	Distributions	(12)		
Fair va			(83)	
	alue movement	(47)	(3)	
Earning	ong Term Diversified Fund	(47)	(3)	
	ong Term Diversified Fund gs	(2,612)	(3) 7,250	
	ong Term Diversified Fund gs Distributions	(2,612) (1,291)	7,250 (4,734)	
	ong Term Diversified Fund gs	(2,612)	(3) 7,250	
<b>Fair va</b>	ong Term Diversified Fund gs Distributions Ilue movement versified Australian Equities Fund	(2,612) (1,291)	7,250 (4,734)	
<b>Fair va</b> QIC Di  Earning	ong Term Diversified Fund gs Distributions alue movement versified Australian Equities Fund gs	(47) (2,612) (1,291) (3,903)	7,250 (4,734) <b>2,516</b>	
QIC Di Earning Less: E	ong Term Diversified Fund gs Distributions allue movement versified Australian Equities Fund gs Distributions	(2,612) (1,291) (3,903) (1,027) (947)	7,250 (4,734) <b>2,516</b> 3,327 (700)	
QIC Di Earning Less: E	ong Term Diversified Fund gs Distributions alue movement versified Australian Equities Fund gs	(47) (2,612) (1,291) (3,903)	7,250 (4,734) <b>2,516</b>	
QIC Di Earning Less: D Fair va	ong Term Diversified Fund gs Distributions Alue movement  versified Australian Equities Fund gs Distributions Alue movement  ternational Equities Fund	(2,612) (1,291) (3,903) (1,027) (947)	7,250 (4,734) <b>2,516</b> 3,327 (700) <b>2,627</b>	
QIC Di Earning Less: D Fair va QIC Int Earning	ong Term Diversified Fund gs Distributions alue movement versified Australian Equities Fund gs Distributions alue movement ternational Equities Fund gs	(47) (2,612) (1,291) (3,903) (1,027) (947) (1,974)	7,250 (4,734) 2,516 3,327 (700) 2,627	
QIC Di Earning Less: E Fair va QIC Int Earning Less: E	ong Term Diversified Fund gs Distributions alue movement  versified Australian Equities Fund gs Distributions alue movement  ternational Equities Fund gs Distributions	(47) (2,612) (1,291) (3,903) (1,027) (947) (1,974)	7,250 (4,734) <b>2,516</b> 3,327 (700) <b>2,627</b> 2,728 (556)	
QIC Di Earning Less: D Fair va QIC Int Earning Less: D	ong Term Diversified Fund gs Distributions alue movement versified Australian Equities Fund gs Distributions alue movement ternational Equities Fund gs	(47) (2,612) (1,291) (3,903) (1,027) (947) (1,974)	7,250 (4,734) 2,516 3,327 (700) 2,627	
Pair va QIC Di Earning Less: E Fair va QIC Int Earning Less: E Fair va	ong Term Diversified Fund gs Distributions alue movement  versified Australian Equities Fund gs Distributions alue movement  ternational Equities Fund gs Distributions	(47) (2,612) (1,291) (3,903) (1,027) (947) (1,974)	7,250 (4,734) <b>2,516</b> 3,327 (700) <b>2,627</b> 2,728 (556)	

## 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 2022, has been estimated and accrued based on levies received year to date and specifically the average of the three quarter return periods, July 2021 to March 2022. Retrospective levies income is recognised when invoiced.

#### Accounting policy - Income from investments

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

#### 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.

for the year ended 30 June 2022

B2 EXPENSES			
B2-1 SUPPLIES AND SERVICES			Accounting policy - Procurement
	2022 \$'000	2021 \$'000	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
QLeave fees (1)(2)(4)	1,690	1,337	of the consideration exchanged for those goods or
Fund management fees (3)	216	195	services.
Other expenses	2	2	
Total	1,908	1,534	

#### 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 foos

(2) The total audit fees quoted by the Queensland Audit Office relating to the external audit of the 2021-22 financial statements are estimated to be \$14,300 (2020-21: \$14,000). There are no non-audit services included in this amount. 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. The Insurance premiums - QGIF are included in the QLeave fees.

B2-2 IMPAIRMENT LOSSES			Accounting policy - Impairment
	2022 \$'000	2021 \$'000	Impairment losses may arise on assets held by the Authority from time to time. Accounting for impairment
Trade receivables	(7)	40	losses is dependent upon the individual asset (or group of assets) subject to impairment.
			The trade debtors loss allowance reflects the lifetime

expected credit loss method and includes known

doubtful debts.

for the year ended 30 June 2022

# SECTION 3 NOTES ABOUT OUR FINANCIAL POSITION

C1 CASH AND CASH EQUIVALE	NTS		Accounting policy - Cash and cash equivalents
	2022 \$'000	2021 \$'000	For the purpose of the statement of financial position and the statement of cash flows, cash assets include all cash and cheques receipted but not banked at
Cash at bank	167	629	30 June as well as deposits at call with financial institutions.
C2 RECEIVABLES			Accounting policy - Receivables
	2022 \$'000	2021 \$'000	Receivables are measured at amortised cost which approximates their fair value at reporting date.
Trade debtors Less: Loss allowance	160 (22) 138	61 (32) 29	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.
Accrued revenue * GST input tax credits receivable	907 44 951	830 20 849	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
Total	1,089	878	for impairment is based on loss events in conjunction with current debtor monitoring and analysis.
* Includes the fourth quarter levy revenue accrual			The trade debtors loss allowance reflects the lifetime expected credit loss method and includes known doubtful debts.
C3 INVESTMENTS			
	2022 \$'000	2021 \$'000	Accounting policy - Investments
QIC - Cash Enhanced Fund QIC - Long Term Diversified Fund QIC - Diversified Australian Equities Fund QIC - International Equities Fund Total	10,328 44,251 13,188 11,955 79,722	9,594 46,863 14,214 12,532 <b>83,203</b>	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 Fund.
C4 PAYABLES			Accounting policy - Payables
	2022 \$'000	2021 \$'000	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
Trade creditors Accrued charges Total	484 95 <b>579</b>	191 17 <b>208</b>	applicable trade and other discounts. Amounts owing are unsecured and generally settled on 30 day terms.

for the year ended 30 June 2022

C5 PROVISION FOR SCHEME B	ENEFITS		Accounting policy - Provisions
	2022 \$'000	2021 \$'000	Provisions are recorded when the Authority has a present obligation, either legal or constructive as a result of a past
Current			event. They are recognised at the amount expected at
Provision for scheme benefits	2,700	2,400	reporting date for which the obligation will be settled in a
expected to be settled within 12 months			future period. Where the settlement of the obligation is
Provision for scheme benefits	12,100	11,700	expected after 12 or more months, the obligation is
expected to be settled after 12 months			discounted to the present value using an appropriate
Total *	14,800	14,100	discount rate.
Non-current			
Provision for scheme benefits	10,900	10,300	
Total	25,700	24,400	
Movement in provisions			
Balance as at 1 July	24,400	21,300	Payments for long service leave claims are assessed
Additional provision recognised	3,232	4,765	and calculated in accordance with the Contract Cleaning
Reductions in provisions from payments	(1,932)	(1,665)	Industry (Portable Long Service Leave) Act 2005 and
Balance as at 30 June	25,700	24,400	Regulations.

Scheme eligible members as at 30 June were 64,696 (2020-21: 73,380).

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 2022 was prepared utilising 31 January 2022 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 5.2% per annum net of management fees (2020-21 3.8% per annum).
- The rate of wage increase of 2.7% per annum (2020-21 2.0% per annum).
- The real rate of return of 2.5% per annum (2020-21: 1.8% per annum).
- The prescribed award wage rate of \$876.70 from 1 July 2022 (\$853.48 from 1 July 2021).

The provision has been discounted using a rate of 5.2% reflecting the long-term rate of return on the Authority's assets to determine the present value.

<sup>\*</sup> The total current provision of \$14.8 million (2020-21: \$14.1 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 \$2.7 million (2020-21: \$2.4 million) over the next 12 months.

for the year ended 30 June 2022

#### **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
İ.	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

Financial	assets
Investmen	te

QIC Cash Enhanced Fund

QIC Long Term Diversified Fund

QIC Diversified Australian Equities Fund

QIC International Equities Fund

Total

Lev	vel 1	Level	2	Lev	rel 3	Total ca	, ,
2022	2021	2022	2021	2022	2021	2022	2021
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
-	-	10,328	9,594	-	-	10,328	9,594
-	-	44,251	46,863	-	-	44,251	46,863
-	-	13,188	14,214	-	-	13,188	14,214
-	-	11,955	12,532	-	-	11,955	12,532
-	-	79,722	83,203	-	-	79,722	83,203

for the year ended 30 June 2022

# D1 FAIR VALUE MEASUREMENT (continued)

# D1-4 LEVEL 2 FAIR VALUE MEASUREMENT - RECONCILIATION

		2022 \$'000	2021 \$'000
QIC Cash Enhanced Fund	Carrying amount at 1 July Plus	9,594	9,720
	Earnings	(35)	80
	Contributions	1,000	-
	Distributions Reinvested	12	83
	Less	(40)	(00)
	Distributions Redemptions	(12)	(83)
	Redemptions - Fees	(231)	(206)
	Carrying amount at 30 June	10,328	9,594
QIC Long Term Diversified Fund	Carrying amount at 1 July Plus	46,863	39,613
	Earnings	(2,612)	7,250
	Contributions	- 1	-
	Distributions Reinvested Less	1,291	4,734
	Distributions	(1,291)	(4,734)
	Redemptions	- /	- /
	Redemptions - Fees	-	-
	Carrying amount at 30 June	44,251	46,863
QIC Diversified Australian Equities Fund	Carrying amount at 1 July	14,214	10,887
4	Plus	<b>1</b> '1	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	Earnings	(1,027)	3,327
	Contributions	-	-
	Distributions Reinvested	947	700
	Less Distributions	(947)	(700)
	Redemptions	(947)	(700)
	Redemptions - Fees	- 1	_
	Carrying amount at 30 June	13,188	14,214
010 1-1	0	10.500	0.004
QIC International Equities Fund	Carrying amount at 1 July Plus	12,532	9,804
	Earnings	(577)	2,728
	Contributions	- (0,7)	-
	Distributions Reinvested	856	556
	Less		
	Distributions	(856)	(556)
	Redemptions	- 1	-
	Redemptions - Fees Carrying amount at 30 June	11,955	12,532
	, , , , , , , , , , , , , , ,	,	,
	Total Carming amount at 20 lung	70 722	02 202
	Total Carrying amount at 30 June	79,722	83,203

for the year ended 30 June 2022

## 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:

		2022	2021
Category	Note	\$'000	\$'000
Financial assets			
Cash and cash equivalents	C1	167	629
Financial assets at amortised cost:			
Receivables	C2	1,089	878
Financial assets at fair value through profit or loss:			
QIC - Cash Enhanced		10,328	9,594
QIC - Long Term Diversified Fund		44,251	46,863
QIC - Diversified Australian Equities Fund		13,188	14,214
QIC - International Equities Fund		11,955	12,532
	C3	79,722	83,203
Total financial assets	=	80,978	84,710
Financial liabilities			
Financial liabilities at amortised cost:			
Payables	C4	579	208
Total financial liabilities	- -	579	208

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	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: price risk, interest rate risk and currency risk.  Price Risk 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.  Interest rate risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate because of changes in market interest rates.  The Authority is not exposed to currency risk.	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.  The Authority is exposed to interest rate risk through cash and cash equivalents (Note C1) which is subject to variable interest rates.

for the year ended 30 June 2022

#### 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</i> strategy. This strategy ensures all funds owed are monitored on a timely basis. Exposure to credit risk is monitored on an ongoing basis.
Liquidity risk	Sensitivity analysis	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 Policy Statement so as to meet the expected liabilities.
Market risk	Price 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.
	Interest rate sensitivity analysis	The Authority does not undertake any hedging in relation to interest risk.  The Authority's <i>Investment Policy Statement</i> 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.

#### 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	2022 \$'000	2021 \$'000
Financial assets Receivables	C2	1,089	878

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.

	2022	Contractu	Contractual maturity		2021	Contractua	Contractual maturity	
	Total	<1 year	1-5 years	>5 years	Total	<1 year	1-5 years	>5 years
Financial liabilities	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Payables	579	579	-	-	208	208	-	-

for the year ended 30 June 2022

#### 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 2022 (2020-21: +/- 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 \$8.0 million (2020-21: \$8.3 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%		2022 Market rate risk			
	Carrying	- Sens	sitivity	+ Sens	itivity
Financial Instruments	amount	Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
QIC - Cash Enhanced Fund	10,328	(1,033)	(1,033)	1,033	1,033
QIC - Long Term Diversified Fund	44,251	(4,425)	(4,425)	4,425	4,425
QIC - Diversified Australian Equities Fund	13,188	(1,319)	(1,319)	1,319	1,319
QIC - International Equities Fund	11,955	(1,196)	(1,196)	1,196	1,196
Potential Impact	79,722	(7,973)	(7,973)	7,973	7,973

+ / - 10%		2021 Market rate risk			
	Carrying	- Sens	sitivity	+ Sens	itivity
Financial Instruments	amount	Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
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	(1,253)	(1,253)	1,253	1,253
Potential Impact	83,203	(8,319)	(8,319)	8,319	8,319

#### D3 CONTINGENCIES

As at 30 June 2022, 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.

for the year ended 30 June 2022

## 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 2021-22 and 2020-21. 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 2022.

Mr John Thompson (commenced 07/10/2021)

Chair
Ms Susanne Ryan\*

Deputy Chair

Mr Damien Davie
Worker Representative (UWU - United Workers Union)
Mr Kenneth Holder
Employer Representative (BSCAA)

Ms Natalia Pantano (resigned 07/12/2021) Worker Representative (UWU - United Workers Union)

Ms Kim Puxty Employer Representative (BSCAA)

Ms Linda Revill (commenced 26/05/2022) Worker Representative (UWU - United Workers Union)

\*Following the resignation of Mr Donald Brown as Chair on 8 February 2021, Ms Susanne Ryan was Acting Chair until the new Chair, Mr John Thompson, commenced on the 7 October 2021.

#### 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.

#### 2021-22

Position	Short term employee expenses	Total	
Position	Monetary expenses	\$	
Mr John Thompson (commenced 07/10/2021)	1,950	1,950	
Ms Susanne Ryan	2,670	2,670	
Mr Damien Davie	1,800	1,800	
Mr Kenneth Holder	1,800	1,800	
Ms Natalia Pantano (resigned 07/12/2021)	600	600	
Ms Kim Puxty	1,800	1,800	
Ms Linda Revill (commenced 26/05/2022)	-	-	
Total Remuneration	10,620	10,620	

for the year ended 30 June 2022

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

#### Remuneration expenses (continued)

2020-21

Position	Short term employee expenses	Total	
	Monetary expenses		
Mr Donald Brown (resigned 08/02/2021)	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	

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 2021-22.

## Accounting standards applied for the first time

No Australian Accounting Standards or Interpretations that apply to the Authority for the first time in 2021-22 have any material impact on the financial statements.

for the year ended 30 June 2022

## E3 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY (continued)

#### E3-1 CONFIGURATION OR CUSTOMISATION COSTS IN A CLOUD COMPUTING ARRANGEMENT

#### 1. Summary of change in accounting policy

The Authority has voluntarily changed its accounting policy in 2021-22 after completing a full analysis of the Authority's previously capitalised software in response to the International Financial Reporting Interpretations Committee (IFRIC) agenda decision released in March 2021.

The Authority's new accounting policy now considers where the software code resides, whether it is identifiable and whether the Authority has the power to both obtain economic benefits form the software and restrict the access of others to those benefits. Configuration or customisation costs that do not qualify for recognition as an intangible asset are further assessed as to the appropriate timing of expense recognition, using the following criteria:

- a) Where the configuration or customisation is considered a distinct (i.e. separately identifiable) service from the subsequent access to the cloud software, the costs are expensed when the configuration or customisation services are received.
- b) Where the configuration or customisation is not a distinct service from the Authority's right to access the software, the costs are expensed over the period of access on a straight-line basis. A prepayment asset is recognised when the payment is made upfront.

Any software that qualifies as an intangible asset is recognised and accounted for in accordance with the Authority's existing accounting policies on software assets.

No changes have been applied retrospectively.

#### **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.

# CONTRACT CLEANING INDUSTRY (PORTABLE LONG SERVICE LEAVE) AUTHORITY

## **Management Certificate**

for the year ended 30 June 2022

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 2022 and of the financial position of the Authority at the end of that year; and

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 year.

B Bassett General Manager

25 August 2022

J Thompson Chair

John Trompsoul

25 August 2022



#### 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 accompanying financial report of 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 2022, 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 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the certificates given by the Chair and the General Manager.

## **Basis for opinion**

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

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

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

## Responsibilities of the board for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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



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

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

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

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

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



## Report on other legal and regulatory requirements

## **Statement**

In accordance with s.40 of the Auditor-General Act 2009, for the year ended 30 June 2022:

- 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.

mluwinga

25 August 2022

Martin Luwinga as delegate of the Auditor-General

Queensland Audit Office Brisbane

## **APPENDIX 1: GLOSSARY**

The meanings of the following acronyms and/or abbreviations used in this report are listed below.

AICD Australian Institute of Company Directors

ATO Australian Taxation Office

**BA** Bachelor of Arts

**BBus** Bachelor of Business

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

**BSCAA** Building Services Contractors Association of Australia

**CDec** Commissioner for Declarations

CEO Chief Executive Officer

DipBus Diploma of Business

**ERP** Enterprise Resource Planning

**FBT** Fringe Benefits Tax

GAICD Graduate of the Australian Institute of Company Directors Course

**GST** Goods and Services Tax

Hons Honours i.e. Honours

ICT Information Communication and Technology

**IFRIC** International Financial Reporting Interpretations Committee

IP Information Privacy

**ISMS** Information Security Management System

JP Justice of the Peace

**KMP** Key Management Personnel

**m** million

MA Master of Arts

MBA Master of Business Administration

MP Member of Parliament

MPFS My Pathway Facilities Services
PLSL Portable Long Service Leave

**QAO** Queensland Audit Office

**QGIF** Queensland Government Insurance Fund

QIC Queensland Investment Corporation

**Qual** Queensland Qualification

SaaS Software as a Service
UWU United Workers Union

#### **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

#### **OPEN DATA**

For 2021-22, the Authority had no expenditure to report on overseas travel. For information on the Queensland Language Services Policy and consultancies expenditure, these are included in the QLeave Annual Report 2021-22 and can be accessed at www.qld.gov.au/data.

### **PUBLIC AVAILABILITY**

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

Copies of this report are available from:

#### QLeave

PO Box 348 ARCHERFIELD BC QLD 4108

1300 QLEAVE yoursay@qleave.qld.gov.au

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### **GOVERNMENT BODY**

See additional information published on our website at www.qleave.qld.gov.au/about-us/corporate-publications.



### INTERPRETER SERVICE STATEMENT

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds.

If you have difficulty in understanding the annual report you can contact us on (07) 3018 0333 and we will arrange an interpreter to effectively communicate the report to you.





# Contract Cleaning Industry (Portable Long Service Leave) Authority

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