

ANNUAL REPORT

Contract Cleaning Industry (Portable Long Service Leave) Authority

21/22



www.qleave.qld.gov.au



PORTABLE
LONG SERVICE
LEAVE

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 non-financial 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.

© Contract Cleaning Industry (Portable Long Service Leave) Authority 2022.

This annual report is licensed by the Contract Cleaning Industry (Portable Long Service Leave) Authority under a Creative Commons Attribution (CC BY) 4.0 International licence.

In essence, you are free to copy, communicate and adapt this annual report, as long as you attribute the work to Contract Cleaning Industry (Portable Long Service Leave) Authority. Content from this annual report should be attributed as: *Contract Cleaning Industry (Portable Long Service Leave) Authority Annual Report 2021–2022*.

To view a copy of this licence, visit: creativecommons.org/licenses/by/4.0/



LETTER OF COMPLIANCE

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
Contract Cleaning Industry (Portable Long Service Leave) Authority



CONTENTS

01	ABOUT THE AUTHORITY
02	QUEENSLAND GOVERNMENT'S OBJECTIVES FOR THE COMMUNITY
02	STRATEGIC OBJECTIVES AND PERFORMANCE
04	CLIENT SERVICE DELIVERY
05	COMPLIANCE REPORT
05	ENGAGING WITH STAKEHOLDERS
06	FINANCIAL PERFORMANCE
09	INFORMATION TECHNOLOGY AND INNOVATION
11	GOVERNANCE AND ACCOUNTABILITY
14	DIRECTORS OF THE BOARD
17	FINANCIAL STATEMENTS

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: Recommended 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:

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

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
- treating our data as an asset to be protected and valued
- acting ethically, fairly and equitably in all stakeholder interactions
- incorporating feedback loops that ensure stakeholder-valued outcomes are delivered.

MEASURES	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.

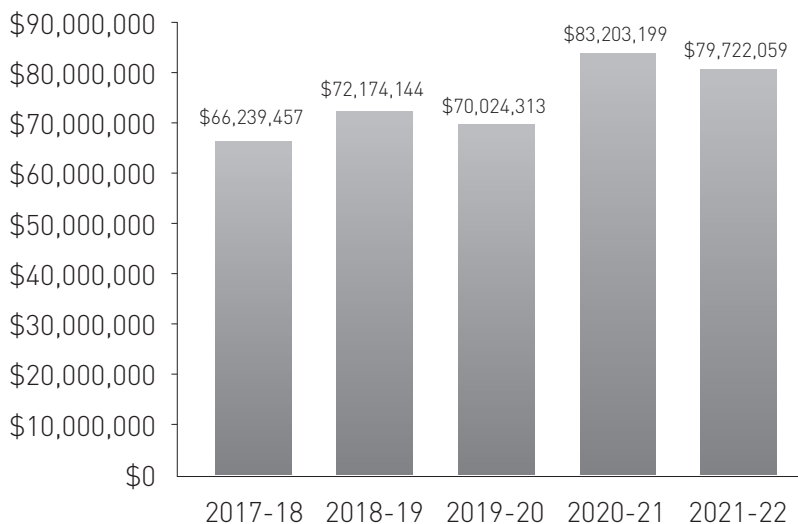
QLeave commenced an ERP system upgrade project in 2021 to upgrade its current system, which only receives limited developer support.

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.



Investment balances 2017-2022



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
- 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
- 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
- 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.

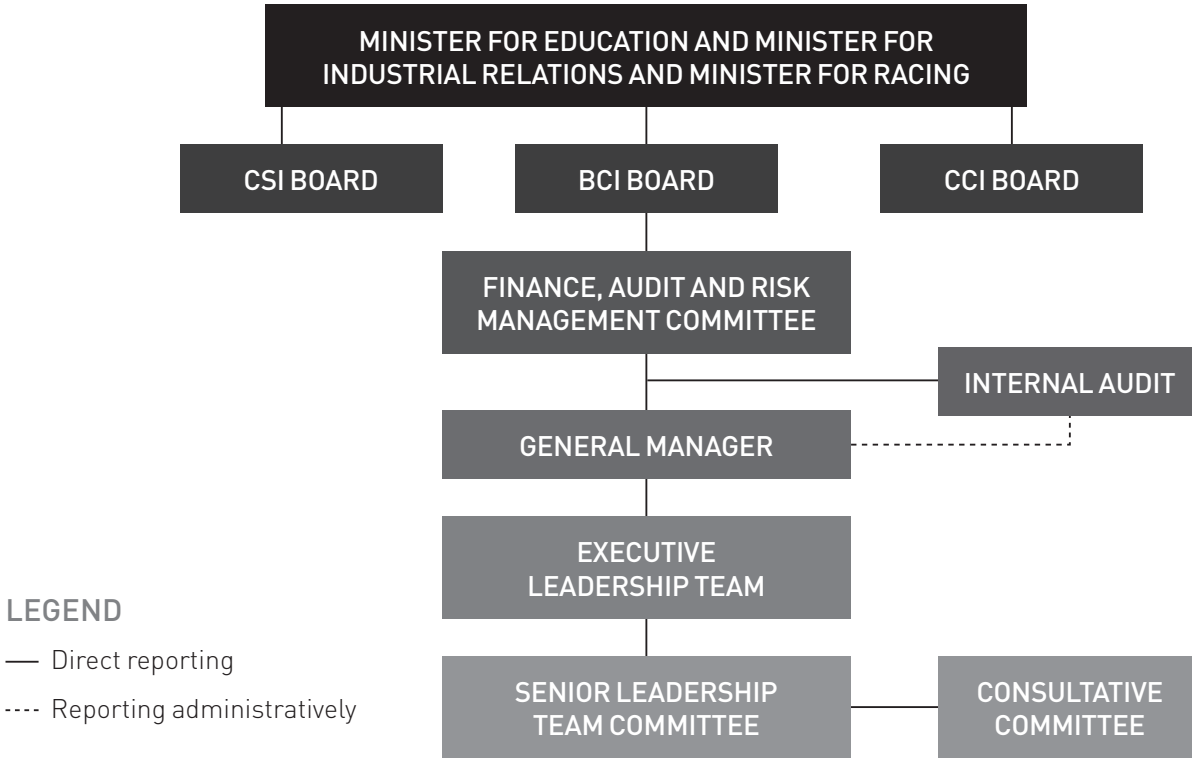
In 2021–22 the following initiatives and activities were undertaken:

- continued education and engagement with staff regarding record-keeping obligations through the Content Manager Super Users Group
- commenced the Content Manager and Connex 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:

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

The deputy 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:

- assess the achievements and challenges of the dedicated three-year compliance project
- monitor the transition of the compliance project to business as usual
- 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
- 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
- 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.

→ **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.

→ **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:

- compliance project audit
- fraud and corruption controls
- business impact analysis
- governance framework review
- delegations of authority
- 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.