



FINANCIAL STATEMENTS

**Community Services Industry
(Portable Long Service Leave) Authority**
For the Year Ended 30 June 2022

Community Services Industry (Portable Long Service Leave) Authority

Financial Statements

For the Year Ended 30 June 2022

TABLE OF CONTENTS

Financial Statements	Statement of Comprehensive Income	Page 2	
	Statement of Financial Position	Page 3	
	Statement of Changes in Equity	Page 4	
	Statement of Cash Flows (including Notes to the Statement of Cash Flows)	Page 5	
Notes to the Financial Statements	A1. Basis of Financial Statement Preparation	Page 7	
	A1-1 General Information	Page 7	
	A1-2 Compliance with Prescribed Requirements	Page 7	
	A1-3 Presentation Details	Page 7	
	A1-4 Authorisation of Financial Statements for Issue	Page 7	
	A1-5 Basis of Measurement	Page 7	
	A2 Authority Objectives	Page 8	
	A3 Legislation Changes	Page 8	
	Section 1 About the Authority and this Financial Report		
	Section 2 Notes about our Financial Performance	B1. Revenue	Page 9
B1-1 Income from Levies		Page 9	
B2. Expenses		Page 9	
B2-1 Supplies and Services		Page 9	
Section 3 Notes about our Financial Position	B2-2 Impairment Losses	Page 9	
	C1. Cash and Cash Equivalents	Page 10	
	C2. Receivables	Page 10	
	C3. Payables	Page 10	
Section 4 Notes about Risks and Other Accounting Uncertainties	C4. Provision for Scheme Benefits	Page 11	
	D1. Fair Value Measurement	Page 12	
	D1-1 Accounting Policies and Inputs for Fair Values	Page 12	
	D1-2 Basis for Fair Values of Assets and Liabilities	Page 12	
	D2. Financial Risk Disclosures	Page 12	
	D2-1 Financial Instrument Categories	Page 12	
	D2-2 Financial Risk Management	Page 13	
	D2-3 Credit Risk Disclosures	Page 14	
	D2-4 Liquidity Risk - Contractual Maturity of Financial Liabilities	Page 14	
	D3. Contingencies	Page 14	
	D4. Events Occurring after the Reporting Date	Page 14	
	D5. Future Impact of Accounting Standards Not Yet Effective	Page 14	
	Section 5 Other Information	E1. Key Management Personnel (KMP) Disclosures	Page 15
E2. Related Party Transactions		Page 16	
E3. First Year Application of New Accounting Standards or Change in Accounting Policy		Page 17	
E3-1 Configuration or Customisation Costs in a Cloud Computing Arrangement		Page 17	
E4. Taxation		Page 17	
E5. Climate Risk Disclosure		Page 17	
Certification	Management Certificate	Page 18	

Community Services Industry (Portable Long Service Leave) Authority
Statement of Comprehensive Income
for the year ended 30 June 2022

OPERATING RESULT	Note	2022	2021
		\$'000	\$'000
			(restated)
Income from continuing operations			
Portable long service leave (PLSL) levies	B1-1	54,591	21,828
Interest		272	5
Total income from continuing operations		54,863	21,833
Expenses from continuing operations			
Supplies and services	B2-1	2,028	1,083
Impairment losses	B2-2	46	-
Portable long service leave (PLSL) scheme benefits	C4	31,940	18,104
Total expenses from continuing operations		34,014	19,187
Operating result from continuing operations		20,849	2,646
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		20,849	2,646

The accompanying notes form part of these financial statements.

Community Services Industry (Portable Long Service Leave) Authority
Statement of Financial Position

as at 30 June 2022

	Note	2022 \$'000	2021 \$'000 (restated)
Current assets			
Cash and cash equivalents	C1	60,016	10,660
Receivables	C2	13,360	11,278
Total current assets		73,376	21,938
Total assets		73,376	21,938
Current liabilities			
Payables	C3	581	1,192
Provision for scheme benefits	C4	12,600	4,000
Total current liabilities		13,181	5,192
Non-current liabilities			
Provision for scheme benefits	C4	36,700	14,100
Total non-current liabilities		36,700	14,100
Total liabilities		49,881	19,292
Net assets		23,495	2,646
Equity			
Accumulated surplus		23,495	2,646
Total equity		23,495	2,646

The accompanying notes form part of these financial statements.

Community Services Industry (Portable Long Service Leave) Authority
Statement of Changes in Equity

for the year ended 30 June 2022

	Accumulated surplus \$'000
Balance at 1 July 2020	-
Total comprehensive income for the year originally reported	2,699
Net effect of changes in accounting policies / prior year adjustments (Note E3-1)	(53)
Restated balance at 30 June 2021*	<u>2,646</u>
Total comprehensive income for the year	20,849
Balance at 30 June 2022	<u><u>23,495</u></u>

* Details of balances restated from prior year adjustments are disclosed at Note E3-1

The accompanying notes form part of these financial statements.

Community Services Industry (Portable Long Service Leave) Authority
Statement of Cash Flows

for the year ended 30 June 2022

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2022	2021
		\$'000	\$'000
<i>Inflows:</i>			
Interest receipts		212	5
Portable long service leave (PLSL) levies		52,536	10,659
Other revenue		1	-
GST input tax credits from Australian Tax Office (ATO)		263	-
<i>Outflows:</i>			
Supplies and services		(2,712)	-
Portable long service leave		(713)	(4)
GST paid to suppliers		(231)	-
Net cash provided by operating activities	CF-1	49,356	10,660
Net increase in cash and cash equivalents		49,356	10,660
Cash and cash equivalents - opening balance		10,660	-
Cash and cash equivalents - closing balance	C1	60,016	10,660

The accompanying notes form part of these financial statements.

Community Services 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	2021
	\$'000	\$'000
Operating surplus/(deficit)	20,849	2,646
<i>Changes in assets and liabilities</i>		
Increase/(decrease) in PLSL scheme benefits provision	31,200	18,100
(Increase)/decrease in receivables	(2,082)	(11,278)
(Decrease)/increase in payables	(611)	1,192
Net cash provided by operating activities	<u>49,356</u>	<u>10,660</u>

Community Services Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

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 Community Services Industry (Portable Long Service Leave) Authority (Authority) was established under the *Community Services Industry (Portable Long Service Leave) Act 2020* from 22 June 2020. The entity did not trade between 22 June 2020 to 30 June 2020.

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 *Community Services Industry (Portable Long Service Leave) Act 2020*. 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 the 22 June 2020 following the assent of the *Community Services Industry (Portable Long Service Leave) Act 2020*.

New 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.

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.

Community Services Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

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 community services industry in accordance with the *Community Services Industry (Portable Long Service Leave) Act 2020*.

The Authority is funded by a levy imposed on worker wages, currently 1.35%.

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.

A3 LEGISLATION

Community Services Industry (Portable Long service Leave) Act 2020

The *Community Services Industry (Portable Long Service Leave) Act 2020*, received assent on the 22 June 2020. The provisions in the Act, not in italics, commenced upon assent, including the appointment of the Board of Directors by the Queensland Governor in Council on the 9 September 2020 for a three year term. The Board held its inaugural meeting on the 16 September 2020.

The italicised provisions in the Act relate to the actual portable long service leave scheme, which commenced on 1 January 2021 allowing sufficient time for employers and workers to prepare for the commencement of the scheme.

Community Services Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2022

**SECTION 2
NOTES ABOUT OUR FINANCIAL PERFORMANCE**

B1 REVENUE

B1-1 INCOME FROM LEVIES

	2022	2021
	\$'000	\$'000
Portable long service leave (PLSL) levies	<u>54,591</u>	<u>21,828</u>

Accounting policy - Income from levies

Revenue is recognised where it can be reliably measured and the entity has an unconditional right to receive it in the period to which it relates. Levy revenue applicable to the last quarter, April to June 2022, has been estimated and accrued based on levies recognised year to date and specifically the average of the quarter return periods, July 2021 to March 2022. Retrospective levies income is recognised when invoiced.

B2 EXPENSES

B2-1 SUPPLIES AND SERVICES

	2022	2021
	\$'000	\$'000
QLeave fees ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	2,025	1,083
Other expenses	3	-
Total	<u>2,028</u>	<u>1,083</u>

Accounting policy - Procurement

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

QLeave fees

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

Audit fees

(2) The total audit fees quoted by the Queensland Audit Office relating to the external audit of the 2021-22 financial statements are estimated to be \$19,800 (2020-21: \$19,800). There are no non-audit services included in this amount. The audit fees are included in the QLeave fees.

Insurance premiums - QGIF

(3) 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.

Computer costs

(4) As a result of a voluntary change in accounting policy for configuration or customisation costs in a cloud computing arrangement, \$53,455 of an internally generated software work-in progress asset as at 1 July 2021 has been expensed through opening accumulated surplus, which required expensing this portion of the software acquisitions (including work-in-progress) cost reported in 2020-21; to supplies and services expenses.

B2-2 IMPAIRMENT LOSSES

	2022	2021
	\$'000	\$'000
Trade receivables	<u>46</u>	-

Accounting policy - Impairment

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

The trade debtors loss allowance reflects the lifetime expected credit loss method and includes known doubtful debts.

Community Services Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2022

**SECTION 3
NOTES ABOUT OUR FINANCIAL POSITION**

C1 CASH AND CASH EQUIVALENTS

	2022	2021
	\$'000	\$'000
Cash at bank	<u>60,016</u>	<u>10,660</u>

Accounting policy - Cash and cash equivalents

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

C2 RECEIVABLES

	2022	2021
	\$'000	\$'000
Trade debtors	1,235	255
Less: Loss allowance	<u>(46)</u>	<u>-</u>
	1,189	255
Accrued revenue*	12,096	10,914
GST input tax credits receivable	<u>75</u>	<u>108</u>
	12,171	11,022
Other debtors	-	1
Total	<u>13,360</u>	<u>11,278</u>

Accounting policy - Receivables

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

Trade debtors are recognised at the amounts due at the end of a return quarter. Settlement of these amounts is required within 14 days from the end of the quarter.

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

The trade debtors loss allowance reflects the lifetime expected credit loss method and includes known doubtful debts.

* Includes the fourth quarter levy revenue accrual.

C3 PAYABLES

	2022	2021
	\$'000	\$'000
Trade creditors	<u>581</u>	<u>1,192</u>

Accounting policy - Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, net of applicable trade and other discounts. Amounts owing are unsecured and generally settled on 30 day terms.

Community Services Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2022

C4 PROVISION FOR SCHEME BENEFITS

	2022	2021
	\$'000	\$'000
Current		
Provision for scheme benefits expected to be settled within 12 months	3,500	1,000
Provision for scheme benefits expected to be settled after 12 months	9,100	3,000
Total *	12,600	4,000
Non-current		
Provision for scheme benefits	36,700	14,100
Total	49,300	18,100
Movement in provisions		
Balance as at 1 July	18,100	-
Additional provision recognised	31,940	18,104
Reduction in provision from payments	(740)	(4)
Balance as at 30 June	49,300	18,100

Accounting policy - Provisions

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

Payments for long service leave claims are assessed and calculated in accordance with the Community Services Industry (Portable Long Service Leave) Act 2020 and Regulations.

Scheme eligible members as at 30 June were 107,205 (2020-21: 69,929).

* The total current provision of \$12.6 million (2020-21: \$4 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 \$3.5 million (2020-21: \$1 million) over the next 12 months.

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

Key Estimates and Judgements: Provision

The long service leave liability of the scheme was determined via actuarial assessment as required by the Community Services Industry (Portable Long Service Leave) Act 2020 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 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 theoretical and Board-approved 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 2.5% per annum (2020-21: 2.5% per annum).
- The average weekly wage rate for long service leave claims of \$1,485.96 from 1 July 2022 (\$1,341.82 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.

Community Services Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

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 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.

D2 FINANCIAL RISK DISCLOSURES

D2-1 FINANCIAL INSTRUMENT CATEGORIES

Financial assets and financial liabilities are recognised in the statement of financial position when the Authority becomes party to the contractual provisions of the financial instrument. The Authority has the following categories of financial assets and liabilities:

Category	Note	2022 \$'000	2021 \$'000
Financial assets			
Cash and cash equivalents	C1	60,016	10,660
Financial assets at amortised cost:			
Receivables	C2	13,360	11,278
Total financial assets		73,376	21,938
Financial liabilities			
Financial liabilities measured at amortised cost:			
Payables	C3	581	1,192
Total financial liabilities		581	1,192

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

Community Services Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2022

D2 FINANCIAL RISK DISCLOSURES (continued)

D2-2 FINANCIAL RISK MANAGEMENT

(a) Risk exposure

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 C3) and payments for long service leave claims (Note C4).
Market risk	<i>Interest rate risk</i> is the risk that the fair value or future cash flows of the financial instrument will fluctuate because of changes in market interest rates. The Authority is not exposed to <i>price risk</i> or <i>currency risk</i> .	The Authority is exposed to interest rate risk through cash and cash equivalents (Note C1) which is subject to variable interest rates.

(b) Risk measurement and management strategies

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

Risk exposure	Measurement method	Risk management strategies
Credit risk	Aging analysis	The Authority manages credit risk through the use of a <i>debtor management strategy</i> . This strategy ensures all funds owed are monitored on a timely basis. Exposure to credit risk is monitored on an ongoing basis.
Liquidity risk	Sensitivity analysis	The Authority manages liquidity risk through the use of a <i>liquidity management strategy</i> . This strategy aims to reduce the exposure to liquidity risk by ensuring the Authority has sufficient funds available to meet all obligations as they fall due.
Market risk	Interest rate sensitivity analysis	QLeave as the Authority's service provider, engaged an investment advisor to develop an investment strategy to support the investment objectives set by the Board. Subsequently, a diversified <i>Investment Policy Statement</i> has been setup during the 2021-22 financial year.

Community Services Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2022

D2 FINANCIAL RISK DISCLOSURES (continued)

D2-3 CREDIT RISK DISCLOSURES

Credit risk management practices

The Authority typically considers a financial asset to be in default when it becomes 90 days past due. However, a financial asset can be in default before that point if information indicates that the Authority is unlikely to receive the outstanding amounts in full.

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	13,360	11,278

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				2021			
	Total \$'000	<1 year \$'000	1-5 years \$'000	>5 years \$'000	Total \$'000	<1 year \$'000	1-5 years \$'000	>5 years \$'000
Financial liabilities								
Payables	581	581	-	-	1,192	1,192	-	-

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.

Community Services Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

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. 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.

Ms Glenys Fisher	Chair
Ms Jennifer Cullen	Deputy Chair
Ms Belinda Drew	Employer Representative - Community Services Industry Alliance
Ms Rebecca Girard	Worker Representative - The Services Union
Ms Carly Hanson	Employer Representative - Community Legal Centres Queensland
Ms Aimee McVeigh	Employer Representative - Queensland Council of Social Services
Ms Justine Moran	Worker Representative - The Services Union
Mr Aaron Santelises (appointed 26 August 2021)	Worker Representative - The Australian Workers Union

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
	Monetary expenses \$	\$
Ms Glenys Fisher	2,340	2,340
Ms Jennifer Cullen	1,800	1,800
Ms Belinda Drew	1,200	1,200
Ms Rebecca Girard	2,700	2,700
Ms Carly Hanson	2,100	2,100
Ms Aimee McVeigh	1,500	1,500
Ms Justine Moran	1,500	1,500
Mr Aaron Santelises (appointed 26 August 2021)	1,500	1,500
Total Remuneration	14,640	14,640

Community Services Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2022

SECTION 5

OTHER INFORMATION

E1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (continued)

Remuneration expenses (continued)

2020-21

Position	Short term employee expenses	Total
	Monetary expenses \$	\$
Ms Glenys Fisher	1,560	1,560
Ms Jennifer Cullen	1,200	1,200
Ms Belinda Drew	1,200	1,200
Ms Rebecca Girard	1,200	1,200
Ms Carly Hanson	1,200	1,200
Ms Aimee McVeigh	900	900
Ms Justine Moran	1,200	1,200
Ms Shannon Young (resigned 10 February 2021)	600	600
Total Remuneration	9,060	9,060

Ms G Fisher and Ms J Cullen were paid directly for committee attendance. All other Directors were paid to their respective organisations.

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 Community Services Industry (Portable Long Service Leave) Act 2020 in respect of payment of levies for their own business undertakings in community services work. The levying of these charges is on the same terms and conditions as those entered into by other liable parties.

Community Services Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2022

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

As a new entity, all Australian Accounting Standards or Interpretations that apply to the Authority were adopted for the first time in 2021-22.

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 from 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:

- 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 services are received.
- 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.

The changes have been applied retrospectively with an adjustment of comparative opening balances at 1 July 2021.

2. Impact of changes

As a result of this voluntary change in accounting policy for configuration or customisation costs in a cloud computing arrangement, \$53,455 of an internally generated software work-in progress asset as at 1 July 2021 has been expensed through opening accumulated surplus, which required expensing this portion of the software acquisitions (including work-in-progress) cost reported in 2020-21; to supplies and services expenses (refer Note B2-1).

The net impacts are summarised in the table below.

<i>Balances as at 1 July 2021</i>	\$'000
Intangible assets	(53)
Accumulated surplus	(53)
<i>Expenses for 2020-21</i>	
Supplies and services	53
<i>Cash outflows for 2020-21</i>	
Supplies and services (outflows from operating activities)	53
Payments for intangibles (outflows from investing activities)	(53)

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.

**COMMUNITY SERVICES 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:

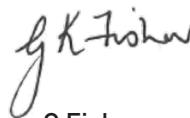
- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Community Services 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.

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

24 August 2022



G Fisher
Chair

24 August 2022

INDEPENDENT AUDITOR'S REPORT

To the Board of the Community Services Industry (Portable Long Service Leave) Authority

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Community Services 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.

AIST	Australian Institute of Superannuation Trustees
ATO	Australian Taxation Office
BCI	Building and Construction Industry (Portable Long Service Leave) Authority
BJus	Bachelor of Justice
CCI	Contract Cleaning Industry (Portable Long Service Leave) Authority
CSIA	Community Services Industry Alliance
ERP	Enterprise Resource Planning
FBT	Fringe Benefits Tax
GAICD	Graduate of the Australian Institute of Company Directors Course
GDipLegalPrac	Graduate Diploma in Legal Practice
GST	Goods and Services Tax
i.e.	that is
ICT	Information Communication and Technology
IFRIC	International Financial Reporting Interpretations Committee
IP	Information Privacy
ISMS	Information Security Management System
KMP	Key Management Personnel
LLB	Bachelor of Laws
MP	Member of Parliament
PLSL	Portable Long Service Leave
QAO	Queensland Audit Office
QCOSS	Queensland Council of Social Service
QIC	Queensland Investment Corporation
Qld	Queensland
SaaS	Software as a Service

INTERSTATE SCHEMES

AUSTRALIAN CAPITAL TERRITORY

Long Service Leave Authority

Unit 1, 28 Thynne Street

Bruce ACT 2617

Telephone: (02) 6247 3900

Email: community@actleave.act.gov.au

www.actleave.act.gov.au

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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, QLeave had no expenditure to report on overseas travel. For information on the Queensland Language Services Policy and consultancies expenditure, this 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

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1300 QLEAVE

yoursay@qleave.qld.gov.au

ISSN 1837-0586

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.





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