



Contract Cleaning Industry (Portable Long Service Leave) Authority

Annual Report 2022 – 23

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

QLeave 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 2023–26, 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 – Making a positive difference for our industries – today, tomorrow and in the future.

OUR PURPOSE – To provide equitable and efficient portable long service leave schemes.

OUR VALUES – Our values drive our actions and 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, and 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, speak up, pursue opportunities and fail.

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LETTER OF COMPLIANCE

28 August 2023

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 2022–23 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 found in Appendix 1 to this report.

This report is prepared on the basis of the current administrative arrangements for this agency applying for the whole of the 2022–23 financial year.

Yours sincerely



John Thompson
CHAIRPERSON
Contract Cleaning Industry (Portable Long Service Leave) Authority

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ABOUT THE AUTHORITY

QLeave administers the portable long service leave scheme for the Contract Cleaning Industry (Portable Long Service Leave) Authority (the Authority), for workers and employers in Queensland's contract cleaning industry.

The Authority was established under the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005* (the Act). 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 2022–23 at www.qleave.qld.gov.au.

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

Under the Act, 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. All Contract Cleaning Industry employers are required to pay the levy of 0.75% since 1 July 2018.

Details about the numbers of registered workers and employers in the scheme and other metrics are outlined in the 'Client Service Delivery' section of this report.

During 2022–23, we focused on delivering our core business effectively and ensuring contract cleaning workers and employers were adequately supported. We heard from employers and workers who told us about their experience with QLeave, and we adapted our approach to communication and engagement to ensure we are providing timely and relevant support that meets their needs.

Following the successful implementation of a new Customer Relationship Management (CRM) system for workers and employers in the previous financial year (2021–22), we continued to enhance our digital offering to scheme participants in 2022–23. In October 2022, we issued long service leave statements to 67,583 workers through our online portal. This was the first time we issued statements in this way to contract cleaning workers, and in doing so, we provided workers with greater visibility over their portable long service leave entitlements.

We also remained focused in 2022–23 on ensuring equity for those who operate in the contract cleaning industry. To create a level playing field, we issued civil penalties to several employers who were not meeting their obligations and conducted further investigations to ensure appropriate enforcement action.

We would like to express our appreciation to the Minister, the Honourable Grace Grace MP, Minister for Education, 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 also appreciate the ongoing efforts and contributions of employees, management and Board members.

As we look towards 2023–24 and implementing our strategic plan, our vision remains to make 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

We continued to contribute to the following Queensland Government's objectives for the community as aligned with our Strategic Plan 2023–26:

- good jobs: good, secure jobs in our traditional and emerging industries
- better services: deliver even better services right across Queensland
- great lifestyle: protect and enhance our Queensland lifestyle as we grow.

STRATEGIC OBJECTIVES AND PERFORMANCE

Our Strategic Plan 2023–26 sets out our vision and includes four strategic objectives, tactics, and our goals.

We assessed our performance in meeting the objectives for 2022–23 by qualitatively measuring our performance against the achievement of our goals and monitored our progress quarterly.

Summarised in the tables below are the performance highlights demonstrating our achievement against our goals, strategies and strategic objectives. For a complete overview of the strategic plan performance highlights, including strategic objective 1, refer to the QLeave - Building and Construction Industry (Portable Long Service Leave) Annual Report 2022–23 at www.qleave.gov.au.

STRATEGIC OBJECTIVE 2: DELIVER SERVICE WITH PURPOSE

Strategies

- Embed empathy, fairness and equity in all our interactions with scheme participants.
- Engage with stakeholders and scheme participants in an open and transparent manner.
- Our engagement and compliance framework will make it easy to comply.

GOALS	PERFORMANCE HIGHLIGHTS
Our services align to the provision of equitable and proficient schemes	<ul style="list-style-type: none">• Commenced a review of our Regulatory Framework against best practice guides across state, Commonwealth and international governments.
Evidence that our services meet the changing complex needs of stakeholder and scheme participants	<ul style="list-style-type: none">• Commenced implementation of a revised Controlled Documents Framework with supporting templates and checklists. As part of the roll-out, consultation with relevant business units and staff included communication of approved changes to support continual improvement.• Completed 21 reconsideration reviews during 2022–23 to enhance decision-making practices.
Increase voluntary compliance	<ul style="list-style-type: none">• Enhanced communication and digital engagement with workers and employers about their entitlements and obligations as part of stakeholder interactions with the client service delivery function.• Continued to apply the learnings from the previous pilot plan to improve the accuracy and internal compliance of the employer and worker registrations.



STRATEGIC OBJECTIVE 3: ENSURE THE SCHEMES REMAIN SUSTAINABLE

Strategies

- Be financially responsible and transparent.
- Use information and technology, and risk-based regulatory models, to ensure appropriate regulatory focus and resourcing.
- Transition to leading practice scheme management standard.

GOALS	PERFORMANCE HIGHLIGHTS
QLeave's investment strategies, and scheme costs, are consistent with benchmarking	<ul style="list-style-type: none">• Monitored and reviewed investment performance in consultation with our investment manager, Queensland Investment Corporation, and in alignment with our Investment Policy Statement, to ensure the scheme remained within the Board's risk and return profile. Scheme liabilities were determined by an independent actuarial assessment, performed by Mercer Consulting.
Operations are within the Accrued Benefit Reserve Index	<ul style="list-style-type: none">• Completed a financial risk mitigation assessment, which identifies potential events that may impact our ability to meet our strategic objectives. It also identifies ways in which risks arising from those events may be mitigated.
Improved services through the use of informed, data-driven analysis	<ul style="list-style-type: none">• Completed a market research project, whose results were used to inform communication and engagement planning and priorities.• Commenced the redevelopment of a National Reciprocal Agreement (NRA) to recognise workers' long service leave when moving across Australian jurisdictions. This work is being led nationally by QLeave.• Commenced development of a Data Strategy roadmap to leverage our data sources, for more efficient generation of data-driven insights analysis and reporting.• Used system capabilities to develop a dashboard for capturing, reporting and monitoring data about call centre trends, workload management, and responses to information campaigns.

STRATEGIC OBJECTIVE 4: DELIVER FUNCTIONAL AND OPERATIONAL EXCELLENCE

Strategies

- Invest in, and embed, digital and data solutions to optimise our operations.
- Prioritise opportunities to continuously improve our processes and performance.
- Focus on effective governance structures and systems and allocating resources to deliver streamlined services.

GOAL	PERFORMANCE HIGHLIGHTS
Increased usage of digital front door	<ul style="list-style-type: none">• Enhanced the online portal to support workers and employers to engage digitally.• Published updated user guides, instructions and videos on our website to support self-service.



STRATEGIC OPTIMISATION AND COMMUNICATIONS

The Strategic Optimisation and Communications function works in partnership across QLeave to enable business-led optimisation, deliver projects and initiatives and provide strategic internal and external communication that facilitates change.

Between July 2022 and February 2023, Strategic Optimisation and Communications partnered with business units across QLeave, and an external provider reviewed QLeave's core business processes. For details on the service delivery review and its outcomes, refer to the QLeave – Building and Construction Industry (Portable Long Service Leave) Authority Annual Report 2022–23 at www.qleave.qld.gov.au.

DRIVING IMPROVEMENTS THROUGH FEEDBACK

In 2022–23, we heard from 344 industry workers and employers as part of a QLeave-wide market research project. We used this feedback to guide our 2022–23 External Communication and Engagement Plan, which saw us implement activities focused on increasing scheme awareness and understanding across Queensland's contract cleaning industry.

Activities implemented include employer information newsletters, increased use of LinkedIn as an additional communication channel and the delivery of our annual survey schedule as an ongoing way of measuring satisfaction and changes in understanding and awareness.

ENGAGING WITH STAKEHOLDERS

During 2022–23, 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 and support and promote scheme awareness. Our engagement activities included presenting at industry events, participating in webinars and visiting locations where contract cleaners are engaged.

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 continued transitioning contract cleaning employers and workers to a new online portal in 2022–23, following its initial launch in April 2022. We updated our online resources, including user guides to support workers as they accessed their long service leave statements online for the first time in October 2022.

We launched a new employer information newsletter in March 2023 after receiving feedback during the market research project that indicated that scheme participants wanted to hear from us more frequently.

WEBSITE VISITS

The QLeave website remains the primary communication channel for engaging with scheme participants. In 2022–23, we had over 22,500 visitors to our contract cleaning website.

Mobile device traffic accounted for 50% of all website visits, which was a significant increase of 17% when compared to results in 2021–22. 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.

CLIENT SERVICE DELIVERY

We engage with workers, employers and other stakeholders to provide information about their obligations and entitlements.

We recognise the importance of using data to support enhanced service delivery and organisational performance. During 2022–23, QLeave focused on enhancing service delivery and improving contact centre operations through utilising stakeholder feedback, systems, training, and data analysis and reporting.

VALUING STAKEHOLDER FEEDBACK

We reviewed stakeholder feedback and survey results which were used during 2022–23 to continually improve our client service delivery. In applying a customer-centric approach, we focussed on enhancing the engagement experience for our workers, employers, and other stakeholders, through our tailored advisory assistance by telephone and email received in our contact centre.

OPTIMISED SERVICE DELIVERY

During 2022–23, we received a total of 3,783 inbound calls relating to the contract cleaning industry. We continued to use our quality assurance program to ensure scheme participants received reliable information and efficient support in response to their enquiries. During 2022–23, we distributed 67,583 statements to registered workers in the contract cleaning industry scheme.

IMPROVEMENTS IN CONTACT CENTRE OPERATIONS

Leadership development and peer support

We understand the pivotal role of effective leadership and technical peer support in creating a positive work environment and providing high-quality service delivery. During 2022–23, we focused on developing our leaders and fostering a culture of continuous improvement and support within the contact centre. Through targeted leadership development programs, team leaders were equipped with the necessary skills to inspire and guide their teams, thereby fostering growth and empowerment. Additionally, we implemented effective technical peer support systems, which encouraged knowledge sharing and collaboration among the Client Services teams.

Real-time reporting and resource allocation

During 2022–23, we adopted real-time reporting and resource allocation practices by monitoring call centre metrics and daily workloads related to claims. The monitoring of data provided valuable insights into demand levels across our communication channels that enabled proactive decision-making in allocating resources, adjusting staffing levels and prioritising responses based on urgency and complexity. Through these data-driven practices, we have optimised operations, minimised response times and provided timely and accurate assistance to scheme participants.

We also implemented a Workforce Management System, to optimise the handling of claims, telephone calls, and emails from scheme participants. This system streamlined our contact centre operations, allowing staff to address client enquiries promptly and accurately across all communication channels. The system improved scheduling, advanced reporting and trend analysis, and provided insights into performance and workload patterns.



OUR STATISTICS

We compared our key metrics for 2021–22 and 2022–23 below, to show the types and volume of services delivered in 2022–23. In some instances, the outcomes are driven by scheme participants.

STATISTICS	2021–22	2022–23
Workers registered	64,696	79,126

What this means:

The number of all registered workers with a registration date on or before 30 June 2023.

Conclusion:

There was an increase in the number of registered workers in 2022–23 compared to 2021–22.

Employers registered	1,002	1,001
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What this means:

The number of employers with a registration date on or before 30 June 2023.

Conclusion:

There was a slight decrease in the number of registered employers in 2022–23 compared to 2021–22.

Number of claims paid to employers	91	120
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What this means:

The number of claims paid to employers registered during the financial year. Employer reimbursement claims are paid to the employer and are subject to the workers' contract with that employee.

Claims are defined as an application for entitlement to long service leave or financial payment instead of long service leave.

Conclusion:

There was an increase in the number of claims paid to employers in 2022–23 compared to 2021–22. This was likely due to enhanced business processes including streamlining the claims process, expediting payment turnaround times and making improvements to the employer portal, as well as increased worker education efforts.

Value of claims paid to employers	\$0.3m	\$0.36m
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What this means:

The total financial value of claims paid to employers during the financial year.

Claims are defined as an application for entitlement to long service leave or financial payment instead of long service leave.

Conclusion:

There was a slight increase in the value of claims paid to employers in 2022–23 compared to 2021–22.

Number of claims paid to workers	358	565
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What this means:

The total number of claims paid during the financial year to workers registered with QLeave.

Conclusion:

There was an increase in the number of claims paid to workers in 2022–23 compared to 2021–22.

STATISTICS	2021-22	2022-23
Value of claims paid to workers	\$1.6m	\$2.6m

What this means:

The total financial value of claims paid to registered, eligible workers during the financial year.

Claims are defined as an application for entitlement to long service leave or financial payment instead of long service leave.

Conclusion:

There was an increase in the value of claims paid to workers between 2022-23 compared to 2021-22. This was likely due to the increase in the number of claims paid.

Levy revenue	\$4m	\$4.6m
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What this means:

The total financial value of levies collected by the scheme during the financial year. For each worker, the amount of the levy is the percentage, prescribed under a regulation, of the ordinary wages paid to the worker.

Conclusion:

There was an increase in the financial value of the levy collected during 2022-23 compared to 2021-22.

COMPLIANCE REPORT

Compliance in the contract cleaning industry continued to evolve during 2022-23 underpinned by the enhanced compliance program. The compliance program was implemented and focused on eligibility and liability activities for the scheme to ensure levy payment and registrations with the Contract Cleaning Industry scheme.

We undertook more compliance-related activities, such as field-based compliance visits, issuance of notices and civil penalties, as well as ongoing compliance investigations, increased levy collections and new registrations. During 2022-23, the compliance enforcement investigations helped achieve an increase in levy collections and new registrations of 15,244 workers for the Contract Cleaning Industry scheme.

The contract cleaning industry compliance program in 2023-24 will continue to encourage voluntary compliance through more targeted site visits, combined with 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.

RECONSIDERATIONS

The Reconsiderations function allows affected parties to have certain decisions of the Authority internally reviewed if they disagree with the decision. During 2022-23, we focused on strengthening the Reconsiderations function to enhance and promote robust and timely decision-making. As a result, the Reconsiderations function provided carefully considered outcomes to applicants.

The Reconsiderations function continued to enhance its processes to ensure that reconsideration decisions are dealt with appropriately and meet legislative timeframes.



FINANCIAL PERFORMANCE

The Authority ended the financial year with a positive income position, which can be attributed to higher than expected levy income and investment returns.

SUMMARY OF FINANCIAL PERFORMANCE AND POSITION

The Authority returned an addition to fund of \$2.1 million and a balance sheet equity position of \$56.8 million during the 2022–23 financial year.

Total income of \$13.3 million was \$13.6 million higher than in 2021–22. The increase was due to the net fair value gains on investments of \$5.4 million. Additionally, portable long service leave levy income was \$4.6 million, which was 16% higher than in 2021–22. This was a result of higher than expected leviable wages; driven by a 22% increase in registered workers and increased compliance activity.

The total expenditure of \$11.2 million was 119% higher in 2022–23 than in 2021–22. The increase in 2022–23 was mainly due to 186% higher portable long service leave scheme benefit expenses than in 2021–22. The actuarial review as at 30 June 2023 resulted in an increase to the provision for portable long service leave claim entitlements of \$6.3 million. Long service leave claims totalling \$2.9 million were paid throughout the 2022–23 financial year.

The statement of financial position reflects our sound financial status, with a net asset position of \$56.8 million at the end of the 2022–23 financial year. This indicates that we have an appropriate level of assets to cover forecast liabilities including future claims. As at 30 June 2023 the scheme was 259.1% funded.

STATEMENT OF COMPREHENSIVE INCOME

Classes of transactions, account balances or disclosures	Change	Key drivers
Portable long service leave levies \$4.6m	↑ \$0.6m 16%	The increase was due to a 22% increase in the number of registered workers from 2021–22 and continued compliance activity.
Income from investments \$3.3m	↑ \$0.2m 6%	The increase was due to slightly higher distribution income received during 2022–23.
Net fair value gain on investments \$5.4m	↑ \$12.7m 173%	The increase reflected performance of investment markets over the course of 2022–23.
Supplies and services (\$2m)	↑ \$0.1m 5%	Expenses for supplies and services were in line with costs for 2021–22.
Portable long service leave scheme benefits (\$9.2m)	↑ \$6m 186%	The increase reflected the movement in the scheme provision since 2021–22.

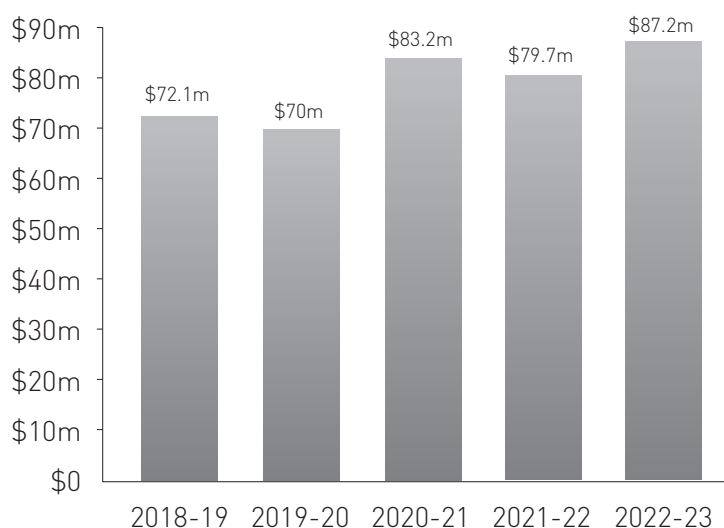
STATEMENT OF FINANCIAL POSITION

Classes of transactions, account balances or disclosures	Change	Key drivers
Total current assets \$88.9m	↑ \$7.9m 10%	The increase reflected the growth in fair value for investments.
Current provision and non-current provision for scheme benefits (\$32m)	↑ \$6.3m 25%	The increase was due to the actuarial review as at 30 June 2023.
Net assets \$56.8m	↑ \$2.1m 4%	The increase was due to the growth in fair value for investments, offset by an increase in the provision for scheme benefits, since 2021–22.

INVESTMENT BALANCES 2018–2023

The graph below shows the total balance of investment funds over the last five years. The investment balance for 2022–23 shows an increase of \$7.5 million compared to 2021–22.

Investment balances 2018–2023



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 the 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 finalised actuarial review was to:

- examine the financial position of the scheme in relation to the long service leave entitlements accrued up to 30 June 2023
- determine the theoretical long term levy rate assuming that the scheme was neither in surplus nor 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 (Queensland) 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 QAO for certification.



INFORMATION TECHNOLOGY AND INNOVATION

Our technology and information management systems are designed to meet our business needs by leveraging opportunities and innovation to provide greater business value. Our 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 2022–23, we undertook the following ICT initiatives and activities to enable reliable and secure service delivery to scheme participants:

- improved business as-usual responsibilities for the industry scheme's CRMs by establishing a network of subject matter experts for each established CRM
- took steps to comply with Queensland state government Information Security Management System requirements.

The following ICT initiatives and activities were undertaken in supporting our internal computing operating environment to enable continued service delivery:

- implemented a range of technologies to operate effectively within a hybrid working environment
- implemented technologies and processes to enhance the security, availability and integrity of data for the scheme
- developed and implemented enhanced business intelligence reporting dashboards, reporting metrics for organisational performance measures and for the Board
- implemented our Workforce Management System.

During the 2022–23 mandatory annual reporting process, the General Manager attested to the appropriateness of information security risk management within QLeave, noting that appropriate assurance activities have been undertaken to inform this opinion and our information security risk position.

The ICT environment at QLeave continues to evolve to achieve the goals outlined in our ICT and data strategies and roadmaps by:

- raising information security capabilities and awareness
- providing data and analytics to inform evidence-based decision-making
- enabling remote and mobile work
- ensuring business continuity, sustainability and consistent user experience.

INFORMATION PRIVACY

We are committed to complying with the objects of the *Right to Information Act 2009* (RTI Act) and to protecting the personal information it holds in accordance with its obligations under the *Information Privacy Act 2009* (IP Act) and information privacy principles. The IP Act regulates how all Queensland Government agencies and contracted service providers collect, store, use and disclose personal information. Our commitment is reflected through several policies, including:

- Privacy Policy
- Right to Information and Information Privacy Procedure
- Administrative Access Policy and Procedure.

In 2022–23, we commenced a review and update of the above policies and procedures, to support the effective and efficient management of matters under the RTI and IP Acts.



RECORDS MANAGEMENT

We continued our 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 a formal assignment of records management monitoring and advice. Our management is advised about the volume of records recorded in the electronic records management system, and improvement options for managing records. In addition, super users (individuals with expertise in using the system) established within QLeave continue to communicate with staff about the agency's records management function and activities and offer support to staff.

We are committed to meeting our responsibilities under relevant legislation, Queensland State Archives policies, standards, 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.

We use an electronic document and records management system called Micro Focus Content Manager to manage and secure administrative records. We also use several business management systems to capture, secure and manage our information.

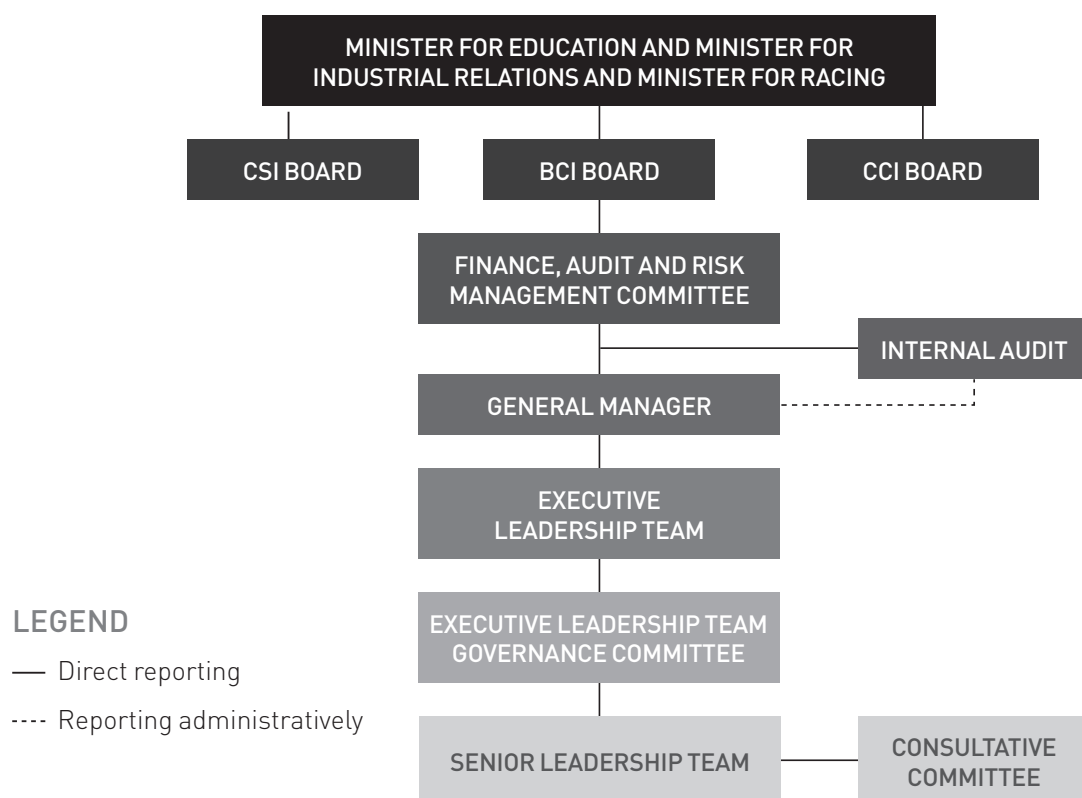
In 2022–23, we undertook the following initiatives and activities:

- continued education and engagement with staff regarding record-keeping obligations through the Content Manager Super Users Group
- added Content Manager Lens in the Connex system for registering of records into Content Manager
- completed the annual review of Corporate Records held in Content Manager
- completed updating policies and procedures for records management
- supported an internal audit by an external supplier in reviewing records management and addressing management actions to enhance the maturity of our records management
- conducted a self-assessment of records management awareness to benchmark performance and identify business improvements.



GOVERNANCE AND ACCOUNTABILITY

QLeave's governance arrangements as at 30 June 2023 are shown below.



THE BOARD

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 scheme is administered by QLeave, on behalf of the Authority. QLeave is reimbursed for the provision of its services to the Authority through an administration cost sharing arrangement.

The role of the Board includes:

- responsibility for the Authority's commercial policy and management
- ensuring, as far as possible, the Authority achieves and acts in accordance with its strategic goals and carries out its strategic objectives outlined in the strategic plan
- ensuring the Authority performs its functions in an appropriate, effective and efficient way.

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 expired on 30 June 2023. The Board was re-appointed for a new term on 1 July 2023.

The Board consisted 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.

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 2022–23 comprised the following directors:

- **Chairperson:** John Thompson
- **Deputy Chairperson:** Sue Ryan
- **Employer Representatives:** Ken Holder, Kim Puxty
- **Worker Representatives:** Damien Davie, Linda Revill.

FOCUS FOR THE BOARD 2022–23

The major activities for the Board for the 2022–23 financial year were to:

- maintain oversight of the Authority's investments
- undertake a review of the Investment Policy Statement in conjunction with the Authority's investment manager, QIC
- undertake a review the cost allocation model to ensure the administration costs sharing arrangements remained appropriate across the three schemes
- monitor performance against the strategic plan
- ensure the Internal Audit Plan and associated frameworks appropriately monitor the internal controls so they remain effective and adequate in minimising risk
- ensure management addresses any findings and recommendations of the internal and external audit functions in a timely manner
- monitor the actuarial position to ensure sufficiency of funds and adequacy of the levy rate
- endorse the annual budget prior to seeking ministerial approval
- endorse the financial statements for QAO 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 management to discuss aligning the three Boards' position on risk management and to develop a risk appetite statement across the organisation. All Boards endorsed the risk appetite statement in June 2023.



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 during an in-camera session led by the Chair to identify strengths and development opportunities for board operations, and review and measure the Authority's progress towards its goals, training requirements and open channels of communication.

BOARD MEETINGS

The Board met four times during 2022–23 and made three decisions out of session.

BOARD SECRETARIAT

The Board Secretariat provides professional support services to the 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 realising 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 AO – 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.

John is the current Chair of the Queensland Government's Tripartite Procurement Advisory Panel and has previously 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 awarded the Medal of the Order of Australia in the 2023 King's Birthday Honours.

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, JP, GAICD – EMPLOYER REPRESENTATIVE

Kim Puxty is the Chief Executive Officer of the Building Service Contractors Association of Australia (BSCAA).

Kim has served as a Board member of the BSCAA Queensland Division since 2010 and the BSCAA National Board since 2017. She has also held the position of President for both the BSCAA Queensland Division (from 2015 to 2019) and the BSCAA National Division (from 2019 to 2022).

With over 20 years of experience in the contract cleaning industry, Kim has gained extensive knowledge of issues affecting industry employers, particularly in the administration and operations areas. Her expertise in commercial cleaning administration encompasses human resources, payroll, accounts, quality assurance and managing client profiles. Kim has also managed client accounts for large associations and government entities.

Kim's qualifications include a Diploma of Management and several industry-related certificates. She 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 serves in an advisory capacity to the Building Service Contractors Association of Australia (BSCAA). He was formerly Chief Executive Officer of two contract cleaning and security services companies (2008 to 2022). Ken now provides tailored management solutions to companies within the industry, focusing on business transformation, commercial development, strategic business growth, corporate governance and compliance, and concentrating on uplifting the people, systems, processes and technology that underpin the business.

Ken has over 35 years' business management and directorship experience in the private sector, covering facility services, building and construction, industrial and manufacturing products, and forestry. He has held executive, marketing and business development roles with publicly listed companies 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 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 a 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.



INTERNAL AUDIT

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

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

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

During 2022–23, BDO undertook the following internal audit work and reviews:

- accounts payable audit
- information security management system audit
- validation of completed recommendations from the following internal audit reports:
 - Governance Framework involving controlled documents
 - Risk Advisory
 - Fraud and Corruption Risk Register
 - Revenue
 - Contract Cleaning Industry Compliance Project
- monitoring of the reporting status of internal audit recommendations
- implementation of an internal audit plan for 2022–23
- development of an internal audit plan for 2023–24.

Also during the reporting period, to enhance business improvements, external suppliers completed internal audits and reviews of our records management and finance functions as well as the methodology for allocating costs between the three industry schemes.

RISK MANAGEMENT

The Board and QLeave management strongly support an effective risk management culture that identifies and mitigates potential threats 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.

We manage risks by involving all business units to identify risks, and record mitigation actions in a central risk register for implementation by the appropriate areas. The register is reviewed by all managers and QLeave directors and quarterly reports are provided to the Executive Leadership Team Governance Committee, the Finance, Audit and Risk Management Committee and the Boards.

During 2022–23, we developed an enhanced Enterprise Risk Management Framework, tailored risk assessment tools, and a revised Risk Management Policy and Procedure. Considerable effort was also made to increase and embed risk management awareness and capability through dedicated training, engagement, establishment of a Risk Officers Network, and streamlined quarterly risk review processes. Our enhanced Enterprise Risk Management Framework was developed in alignment with the following legislation, standards and best practice guides:

- *Financial Accountability Act 2009*
- Financial and Performance Management Standard 2019
- AS/NZS ISO 31000:2018 Risk management – Principles and Guidelines
- Prudential Standard SPS 220 Risk Management
- *A Guide to Risk Management by Queensland Treasury (2020).*



As part of the enhanced Enterprise Risk Management Framework, we adopted the concept of 'material risk' from the Prudential Standard SPS 220. Material risks are those that may have a material impact (i.e. a significant impact) on our operations and the ability to meet our obligations. This strategic approach allows us to capture both strategic and operational material risks on one material risk register – which enables us to focus time, effort and resources on risks that pose the most significant threat to the agency.

Throughout the development phase of the Enterprise Risk Management Framework, we undertook extensive internal consultation to ensure our risk assessment tools meet the needs of our business. This body of work also involved the development of a single Board-approved Risk Appetite Statement, which clearly documents the levels of risk that we are willing to accept in pursuit of meeting our objectives.

In 2023–24, we will continue to enhance risk maturity through the delivery of a risk maturity plan, and we will monitor and report material risks using a material risk register.

FINANCIAL STATEMENTS

**Contract Cleaning Industry
(Portable Long Service Leave) Authority**
For the Year Ended 30 June 2023



Contract Cleaning Industry (Portable Long Service Leave) Authority

Financial Statements

For the Year Ended 30 June 2023

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Contract Cleaning Industry (Portable Long Service Leave) Authority
Statement of Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
OPERATING RESULT			
Income from continuing operations			
Portable long service leave (PLSL) levies	B1-1	4,630	3,992
Income from investments	B1-2	3,285	3,106
Net fair value gain (loss) on investments	B1-3	5,379	(7,357)
Interest		17	7
Total income/(loss) from continuing operations		13,311	(252)
Expenses from continuing operations			
Supplies and services	B2-1	1,997	1,908
Impairment (reversals)		-	(7)
Portable long service leave (PLSL) scheme benefits	C5	9,245	3,232
Total expenses from continuing operations		11,242	5,133
Operating result from continuing operations		2,069	(5,385)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME (LOSS)		2,069	(5,385)

The accompanying notes form part of these financial statements.

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

as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	C1	419	167
Receivables	C2	1,220	1,089
Investments	C3	87,257	79,722
Prepayments		7	18
Total current assets		88,903	80,996
Total assets		88,903	80,996
Current liabilities			
Payables	C4	117	579
Provision for scheme benefits	C5	17,300	14,800
Total current liabilities		17,417	15,379
Non-current liabilities			
Provision for scheme benefits	C5	14,700	10,900
Total non-current liabilities		14,700	10,900
Total liabilities		32,117	26,279
Net assets		56,786	54,717
Equity			
Accumulated surplus		56,786	54,717
Total equity		56,786	54,717

The accompanying notes form part of these financial statements.

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

for the year ended 30 June 2023

	Accumulated surplus \$'000
Balance as at 1 July 2021	60,102
Total comprehensive loss for the year	(5,385)
Balance at 30 June 2022	<u>54,717</u>
Total comprehensive income for the year	2,069
Balance at 30 June 2023	<u><u>56,786</u></u>

The accompanying notes form part of these financial statements.

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

for the year ended 30 June 2023

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2023 \$'000	2022 \$'000
<i>Inflows:</i>			
Interest receipts		16	8
Portable long service leave (PLSL) levies		4,519	3,805
Goods and services tax (GST) input credits from Australian Tax Office (ATO)		242	111
<i>Outflows:</i>			
Supplies and services		(2,247)	(1,315)
Portable long service leave		(2,933)	(1,949)
GST paid to suppliers		(261)	(136)
Net cash (used in) provided by operating activities	CF-1	<u>(664)</u>	<u>524</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Inflows:</i>			
Proceeds from investments		230	231
Investments redeemed		900	-
<i>Outflows:</i>			
Purchase of investments		-	(1,000)
Investment expenses paid		(213)	(217)
Net cash provided by (used in) investing activities		<u>917</u>	<u>(986)</u>
 Net increase (decrease) in cash and cash equivalents		252	(462)
 Cash and cash equivalents - opening balance		<u>167</u>	<u>629</u>
Cash and cash equivalents - closing balance	C1	<u><u>419</u></u>	<u><u>167</u></u>

The accompanying notes form part of these financial statements.

Contract Cleaning Industry (Portable Long Service Leave) Authority

Statement of Cash Flows

for the year ended 30 June 2023

NOTES TO THE STATEMENT OF CASH FLOWS

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

	2023	2022
	\$'000	\$'000
Operating surplus/(deficit)	2,069	(5,385)
<i>Adjustments to investment items:</i>		
Investment income	(8,664)	4,250
Investment expense	213	217
<i>Changes in assets and liabilities</i>		
Increase/(decrease) in PLSL scheme benefits provision	6,300	1,300
(Increase)/decrease in receivables	(131)	(211)
Decrease/(increase) in prepayments	11	(18)
(Decrease)/increase in payables	(462)	371
Net cash (used in) provided by operating activities	(664)	524

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2023

SECTION 1
ABOUT THE AUTHORITY AND THIS FINANCIAL REPORT

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

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

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

A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

The Authority has prepared these financial statements in compliance with section 39 of the *Financial and Performance Management Standard 2019* and the *Financial Accountability Act 62(1)*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations, other authoritative pronouncements and comply with the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005*. In addition, the financial statements comply with Queensland Treasury's Financial Reporting Requirements for reporting periods beginning on or after 1 July 2022.

The financial statements are for the Authority as a single entity. With respect to compliance with Australian Accounting Standards and Interpretations, the Authority has applied those requirements applicable to not-for-profit entities, as the Authority is a not-for-profit statutory body which commenced operations on 1 July 2005.

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

A1-3 PRESENTATION

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 2021-22 financial statements and has been reclassified 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.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

A1-4 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements are authorised for issue by the Chair of the Authority's Board and the General Manager of QLeave at the date of signing the management certificate.

A1-5 BASIS OF MEASUREMENT

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

- Provisions expected to be settled 12 or more months after reporting date which are measured at their present value; and
- Investments with the Queensland Investment Corporation (QIC) which are measured at fair value.

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2023

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-5 BASIS OF MEASUREMENT (continued)

Historical cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value

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

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- The *income approach* converts multiple future cash flow amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

Present value

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

A2 AUTHORITY OBJECTIVES

The objective of the Authority is to administer a paid long service leave scheme for eligible workers within the contract cleaning industry in accordance with the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005*.

The Authority is funded by a levy imposed on worker wages, currently 0.75%, and the income earned on the investment of these funds.

For the 2022-23 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.

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2023

SECTION 2
NOTES ABOUT OUR FINANCIAL PERFORMANCE

B1 REVENUE

B1-1 INCOME FROM LEVIES

	2023	2022
	\$'000	\$'000
Portable long service leave (PLSL) levies	<u>4,630</u>	<u>3,992</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 2023, has been estimated and accrued based on levies received year to date and specifically the average of the three quarter return periods, July 2022 to March 2023. Retrospective levies income is recognised when invoiced.

B1-2 INCOME FROM INVESTMENTS

	2023	2022
	\$'000	\$'000
Distribution from:		
QIC Cash Enhanced Fund	191	12
QIC Long Term Diversified Fund	776	1,291
QIC Diversified Australian Equities Fund	790	947
QIC International Equities Fund	1,528	856
Total	<u>3,285</u>	<u>3,106</u>

Accounting policy - Income from investments

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

B1-3 NET FAIR VALUE GAIN (LOSS) ON INVESTMENTS

	2023	2022
	\$'000	\$'000
QIC Cash Enhanced Fund		
Earnings	352	(35)
Less: Distributions	(191)	(12)
Fair value movement	<u>161</u>	<u>(47)</u>
QIC Long Term Diversified Fund		
Earnings	4,208	(2,612)
Less: Distributions	(776)	(1,291)
Fair value movement	<u>3,432</u>	<u>(3,903)</u>
QIC Diversified Australian Equities Fund		
Earnings	1,681	(1,027)
Less: Distributions	(790)	(947)
Fair value movement	<u>891</u>	<u>(1,974)</u>
QIC International Equities Fund		
Earnings	2,423	(577)
Less: Distributions	(1,528)	(856)
Fair value movement	<u>895</u>	<u>(1,433)</u>
Total fair value movement	<u><u>5,379</u></u>	<u><u>(7,357)</u></u>

Accounting policy - Net fair value gain on investments

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

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

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2023

B2 EXPENSES

B2-1 SUPPLIES AND SERVICES

	2023 \$'000	2022 \$'000
QLeave fees ⁽¹⁾⁽²⁾⁽⁴⁾	1,776	1,690
Fund management fees ⁽³⁾	215	216
Other expenses	6	2
Total	1,997	1,908

Accounting policy - Procurement

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

QLeave fees

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

Audit fees

(2) The total audit fees quoted by the Queensland Audit Office relating to the external audit of the 2022-23 financial statements are estimated to be \$21,788 (2021-22: \$14,300). This amount includes an Actuary Peer Review component of \$7,128. The audit fees are included in the QLeave fees.

Fund management fees

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

Insurance premiums - QGIF

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

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2023

SECTION 3
NOTES ABOUT OUR FINANCIAL POSITION

C1 CASH AND CASH EQUIVALENTS

	2023 \$'000	2022 \$'000
Cash at bank	<u>419</u>	<u>167</u>

Accounting policy - Cash and cash equivalents

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

C2 RECEIVABLES

	2023 \$'000	2022 \$'000
Trade debtors	33	160
Less: Loss allowance	<u>(22)</u>	<u>(22)</u>
	11	138
Accrued revenue *	1,146	907
GST input tax credits receivable	<u>63</u>	<u>44</u>
	1,209	951
Total	<u>1,220</u>	<u>1,089</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 INVESTMENTS

	2023 \$'000	2022 \$'000
QIC - Cash Enhanced Fund	9,551	10,328
QIC - Long Term Diversified Fund	48,459	44,251
QIC - Diversified Australian Equities Fund	14,869	13,188
QIC - International Equities Fund	<u>14,378</u>	<u>11,955</u>
Total	<u>87,257</u>	<u>79,722</u>

Accounting policy - Investments

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

C4 PAYABLES

	2023 \$'000	2022 \$'000
Trade creditors	96	484
Accrued charges	<u>21</u>	<u>95</u>
Total	<u>117</u>	<u>579</u>

Accounting policy - Payables

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

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements

for the year ended 30 June 2023

C5 PROVISION FOR SCHEME BENEFITS

	2023 \$'000	2022 \$'000
Current		
Provision for scheme benefits expected to be settled within 12 months	2,900	2,700
Provision for scheme benefits expected to be settled after 12 months	14,400	12,100
Total *	17,300	14,800
Non-current		
Provision for scheme benefits	14,700	10,900
Total	32,000	25,700
Movement in provisions		
Balance as at 1 July	25,700	24,400
Additional provision recognised	9,245	3,232
Reductions in provisions from payments	(2,945)	(1,932)
Balance as at 30 June	32,000	25,700

Accounting policy - Provisions

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

Payments for long service leave claims are assessed and calculated in accordance with the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005* and *Regulations*.

Scheme eligible members as at 30 June were 79,126 (2021-22: 64,696).

* The total current provision of \$17.3 million (2021-22: \$14.8 million) represents the value for which the Authority does not have an unconditional right to defer settlement for at least 12 months. The Authority only expects to pay \$2.9 million (2021-22: \$2.7 million) over the next 12 months.

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

Key Estimates and Judgements: Provision

The long service leave liability of the scheme was determined via actuarial assessment as required by the *Contract Cleaning Industry (Portable Long Service Leave) Act 2005* at intervals of at least every two years to investigate the sufficiency of the Authority's funds and the adequacy of the rate of long service leave levy. The Authority ensures an independent actuarial assessment is undertaken in accordance with legislation.

Mercer Consulting (Australia) Pty Ltd was re-appointed by the Authority on 8 April 2021. The latest actuarial assessment of the scheme's liabilities by Mercer Consulting (Australia) Pty Ltd dated 10 May 2023 was prepared utilising 30 September 2022 worker data based on a number of assumptions.

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

- The long-term investment return of 6.95% per annum net of management fees (2021-22 5.2% per annum).
- The rate of wage increase of 4.75% per annum (2021-22 2.7% per annum).
- The real rate of return of 2.2% per annum (2021-22 2.5% per annum).
- The prescribed award wage rate of \$936.05 from 1 July 2023 (\$876.70 from 1 July 2022).

The provision has been discounted using a rate of 6.95% reflecting the long-term rate of return on the Authority's assets to determine the present value.

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2023

D1 FAIR VALUE MEASUREMENT

D1-1 ACCOUNTING POLICIES AND INPUTS FOR FAIR VALUES

What is fair value?

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

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the Authority include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the Authority's assets/liabilities, internal records of recent costs (and/or estimate of such costs) for assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Fair value measurement hierarchy

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

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

D1-2 BASIS FOR FAIR VALUES OF ASSETS AND LIABILITIES

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

D1-3 CATEGORISATION OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

	Level 1		Level 2		Level 3		Total carrying amount	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Investments								
QIC Cash Enhanced Fund	-	-	9,551	10,328	-	-	9,551	10,328
QIC Long Term Diversified Fund	-	-	48,459	44,251	-	-	48,459	44,251
QIC Diversified Australian Equities Fund	-	-	14,869	13,188	-	-	14,869	13,188
QIC International Equities Fund	-	-	14,378	11,955	-	-	14,378	11,955
Total	-	-	87,257	79,722	-	-	87,258	79,722

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2023

D1 FAIR VALUE MEASUREMENT (continued)

D1-4 LEVEL 2 FAIR VALUE MEASUREMENT - RECONCILIATION

	2023 \$'000	2022 \$'000
QIC Cash Enhanced Fund		
Carrying amount at 1 July	10,328	9,594
Plus		
Earnings	352	(35)
Contributions	-	1,000
Distributions Reinvested	191	12
Less		
Distributions	(191)	(12)
Redemptions	(916)	-
Redemptions - Fees	(213)	(231)
Carrying amount at 30 June	9,551	10,328
QIC Long Term Diversified Fund		
Carrying amount at 1 July	44,251	46,863
Plus		
Earnings	4,208	(2,612)
Contributions	-	-
Distributions Reinvested	776	1,291
Less		
Distributions	(776)	(1,291)
Redemptions	-	-
Redemptions - Fees	-	-
Carrying amount at 30 June	48,459	44,251
QIC Diversified Australian Equities Fund		
Carrying amount at 1 July	13,188	14,214
Plus		
Earnings	1,681	(1,027)
Contributions	-	-
Distributions Reinvested	790	947
Less		
Distributions	(790)	(947)
Redemptions	-	-
Redemptions - Fees	-	-
Carrying amount at 30 June	14,869	13,188
QIC International Equities Fund		
Carrying amount at 1 July	11,955	12,532
Plus		
Earnings	2,423	(577)
Contributions	-	-
Distributions Reinvested	1,528	856
Less		
Distributions	(1,528)	(856)
Redemptions	-	-
Redemptions - Fees	-	-
Carrying amount at 30 June	14,378	11,955
Total Carrying amount at 30 June	87,257	79,722

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2023

D2 FINANCIAL RISK DISCLOSURES

D2-1 FINANCIAL INSTRUMENT CATEGORIES

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

Category	Note	2023 \$'000	2022 \$'000
Financial assets			
Cash and cash equivalents	C1	419	167
Financial assets at amortised cost:			
Receivables	C2	1,220	1,089
Financial assets at fair value through profit or loss:			
QIC - Cash Enhanced		9,551	10,328
QIC - Long Term Diversified Fund		48,459	44,251
QIC - Diversified Australian Equities Fund		14,869	13,188
QIC - International Equities Fund		14,378	11,955
	C3	87,257	79,722
Total financial assets		88,896	80,978
Financial liabilities			
Financial liabilities at amortised cost:			
Payables	C4	117	579
Total financial liabilities		117	579

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

D2-2 RISKS ARISING FROM FINANCIAL INSTRUMENTS

(a) Risk exposure

Financial risk management is implemented pursuant to the Authority's investment policy statement. This policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Authority.

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

Risk exposure	Definition	Exposure
Credit risk	The risk that the Authority may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The Authority is exposed to credit risk in respect of its receivables (Note C2).
Liquidity risk	The risk that the Authority may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The Authority is exposed to liquidity risk in respect of its payables (Note C4) and payments for long service leave claims (Note C5).
Market risk	<p>The risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, interest rate risk and currency risk.</p> <p><i>Price Risk</i> is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.</p> <p><i>Interest rate risk</i> is the risk that the fair value or future cash flows of the financial instrument will fluctuate because of changes in market interest rates.</p> <p>The Authority is not exposed to <i>currency risk</i>.</p>	<p>The Authority is exposed to price risk through investments with QIC (Note C3). The Authority is exposed to adverse movements in the level of volatility of the financial markets in respect to these investments.</p> <p>The Authority is exposed to interest rate risk through cash and cash equivalents (Note C1) which is subject to variable interest rates.</p>

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2023

D2 FINANCIAL RISK DISCLOSURES (continued)

D2-2 RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

(b) Risk measurement and management strategies

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

Risk exposure	Measurement method	Risk management strategies
Credit risk	Aging analysis	The Authority manages credit risk through the use of a <i>debtor management strategy</i> . This strategy ensures all funds owed are monitored on a timely basis. Exposure to credit risk is monitored on an ongoing basis.
Liquidity risk	Sensitivity analysis	The Authority manages liquidity risk through the use of a <i>liquidity management strategy</i> . This strategy aims to reduce the exposure to liquidity risk by ensuring the Authority has sufficient funds available to meet all obligations as they fall due. This is achieved by ensuring that appropriate levels of cash are held within various accounts in accordance with the Authority's Investment Policy Statement so as to meet the expected liabilities.
Market risk	Price sensitivity analysis Interest rate sensitivity analysis	To manage the risk of a decline in portfolio value due to adverse movements in market price the QIC investment structure diversified in 2018-19 to include the QIC International Equities Fund and the QIC Diversified Australian Equities Fund. The Authority does not undertake any hedging in relation to interest risk. The Authority's <i>Investment Policy Statement</i> is reviewed annually to ensure investment objectives are aligned with the Authority's strategic plan and that an appropriate asset allocation exists to give expected returns for given levels of risk over time.

D2-3 CREDIT RISK DISCLOSURES

Credit risk management practices

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

Credit risk exposure

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

Category	Note	2023 \$'000	2022 \$'000
Financial assets			
Receivables	C2	1,220	1,089

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.

	2023	Contractual maturity			2022	Contractual maturity		
	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	117	117	-	-	579	579	-	-

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2023

D2 FINANCIAL RISK DISCLOSURES (continued)

D2-5 MARKET RISK

The following market sensitivity analysis reflects the outcome to profit and loss if investment unit price would change by +/- 10% applied to the carrying amount as at 30 June 2023 (2021-22: +/- 10%). These fluctuations are considered appropriate given the current world economic and market climate. With all other variables held constant, the Authority would have a surplus/(deficit) and equity increase/(decrease) of \$9 million (2021-22: \$8 million) if there was a +/- 10% fluctuation in investment markets. This is attributable to the Authority's exposure to investment returns on funds held with QIC.

+ / - 10%	Carrying amount \$'000	2023 Market rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial Instruments					
QIC - Cash Enhanced Fund	9,551	(955)	(955)	955	955
QIC - Long Term Diversified Fund	48,459	(4,846)	(4,846)	4,846	4,846
QIC - Diversified Australian Equities Fund	14,869	(1,487)	(1,487)	1,487	1,487
QIC - International Equities Fund	14,378	(1,438)	(1,438)	1,438	1,438
Potential Impact	87,257	(8,726)	(8,726)	8,726	8,726

+ / - 10%	Carrying amount \$'000	2022 Market rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial Instruments					
QIC - Cash Enhanced Fund	10,328	(1,033)	(1,033)	1,033	1,033
QIC - Long Term Diversified Fund	44,251	(4,425)	(4,425)	4,425	4,425
QIC - Diversified Australian Equities Fund	13,188	(1,319)	(1,319)	1,319	1,319
QIC - International Equities Fund	11,955	(1,195)	(1,195)	1,195	1,195
Potential Impact	79,722	(7,972)	(7,972)	7,972	7,972

D3 CONTINGENCIES

As at 30 June 2023, there were no contingent assets or liabilities.

D4 EVENTS OCCURRING AFTER THE REPORTING DATE

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

D5 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

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

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2023

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 2022-23 and 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 2023.

Mr John Thompson	Chair
Ms Susanne Ryan	Deputy Chair
Mr Damien Davie	Worker Representative (UWU - United Workers Union)
Mr Kenneth Holder	Employer Representative (BSCAA)
Ms Kim Puxty	Employer Representative (BSCAA)
Ms Linda Revill	Worker Representative (UWU - United 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 the Premier and Cabinet 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.

2022-23

Position	Short term employee expenses	Total
	Monetary expenses \$	\$
Mr John Thompson	1,560	1,560
Ms Susanne Ryan	1,200	1,200
Mr Damien Davie	1,200	1,200
Mr Kenneth Holder	1,200	1,200
Ms Kim Puxty	1,200	1,200
Ms Linda Revill	900	900
Total Remuneration	7,260	7,260

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements
for the year ended 30 June 2023

E1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (continued)

Remuneration expenses (continued)

2021-22

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

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

Performance payments

No KMP remuneration packages provide for performance or bonus payments.

E2 RELATED PARTY TRANSACTIONS

Transactions with people/entities related to KMP

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

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

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

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

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2022-23.

Accounting standards applied for the first time

No Australian Accounting Standards or Interpretations that apply to the Authority for the first time in 2022-23 have any material impact on the financial statements.

Contract Cleaning Industry (Portable Long Service Leave) Authority
Notes to the Financial Statements

for the year ended 30 June 2023

E4 TAXATION

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

The collection of levies is not subject to GST.

E5 CLIMATE RISK DISCLOSURE

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

Current Year Impacts

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

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

Management Certificate
for the year ended 30 June 2023

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

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

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Contract Cleaning Industry (Portable Long Service Leave) Authority for the financial year ended 30 June 2023 and of the financial position of the Authority at the end of that year.

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



B Bassett
General Manager

28 August 2023



J Thompson
Chair

28 August 2023

INDEPENDENT AUDITOR'S REPORT

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

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Contract Cleaning Industry (Portable Long Service Leave) Authority.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2023, 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 2023, 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 material accounting policy 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 forming an opinion on the effectiveness of the entity's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information 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 2023:

- 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

29 August 2023

Martin Luwunga
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

APPENDIX 1: COMPLIANCE CHECKLIST

QLeave administers the Contract Cleaning Industry Portable Long Service Leave scheme on behalf of the Authority. QLeave is the trading name for the Building and Construction Industry (Portable Long Service Leave) Authority. For specific details of statutory requirements please access the QLeave Annual Report 2022–2023 at <https://www.qlleave.qld.gov.au/about-us/corporate-publications/annual-report> (select 'Building and Construction Industry').

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	i
Accessibility	Table of contents		ii
	Glossary	ARRs – section 9.1	38
	Public availability	ARRs – section 9.2	39
	Interpreter service statement	<i>Queensland Government Language Services Policy</i>	39
	Copyright notice	<i>Copyright Act 1968</i>	Inside front cover
	Information Licensing	<i>QGEA – Information Licensing</i>	
General information	Introductory Information	ARRs – section 10	1
Non-financial performance	Government's objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1	2
	Agency objectives and performance indicators	ARRs – section 11.2	2, 3
	Agency service areas and service standards	ARRs – section 11.3	Not applicable*
Financial performance	Summary of financial performance	ARRs – section 12.1	8, 9
Governance – management and structure	Organisational structure	ARRs – section 13.1	12, 18#, 26#
	Executive management	ARRs – section 13.2	26# to 28#
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	39
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i>	30#
	Human Rights	<i>Human Rights Act 2019</i>	
		ARRs – section 13.5	29#
	Queensland public service values	ARRs – section 13.6	Inside front cover

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	Risk management	ARRs – section 14.1	3, 7, 10, 13, 17, 18
	Audit committee	ARRs – section 14.2	20#, 21#
	Internal audit	ARRs – section 14.3	17
	External scrutiny	ARRs – section 14.4	9
	Information systems and recordkeeping	ARRs – section 14.5	10, 11, 14
	Information Security attestation	ARRs – section 14.6	10
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	30#, 31#
	Early retirement, redundancy and retrenchment	<i>Directive No.04/18 Early Retirement, Redundancy and Retrenchment</i>	
		ARRs – section 15.2	30#
Open Data	Statement advising publication of information	ARRs – section 16	39
	Consultancies	ARRs – section 31.1	https://data.qld.gov.au
	Overseas travel	ARRs – section 31.2	https://data.qld.gov.au
	Queensland Language Services Policy	ARRs – section 31.3	https://data.qld.gov.au
Financial statements	Certification of financial statements	FAA – section 62	Financial Statements section 21
		FPMS – sections 38, 39 and 46	
		ARRs – section 17.1	
	Independent Auditor's Report	FAA – section 62	Financial Statements section
		FPMS – section 46	
		ARRs – section 17.2	22 to 24

Note: * The Authority is not an agency included in the Service Delivery Statements.

Acronyms used in the above table:

ARRs Annual report requirements for Queensland Government agencies

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2019

QGEA Queensland Government Enterprise Architecture.



APPENDIX 2: GLOSSARY

AICD	Australian Institute of Company Directors
AS/NZS ISO	Australian and New Zealand International Standard Organisation
ATO	Australian Taxation Office
BA	Bachelor of Arts
BBus	Bachelor of Business
BCI	Building and Construction Industry (Portable Long Service Leave) Authority
BSCAA	Building Service Contractors Association of Australia
CCI	Contract Cleaning Industry (Portable Long Service Leave) Authority
CRM	Customer Relationship Management
CSI	Community Services Industry (Portable Long Service Leave) Authority
DipBus	Diploma of Business
FBT	Fringe Benefits Tax
GAICD	Graduate of the Australian Institute of Company Directors Course
GST	Goods and Services Tax
Hons	Honours
ICT	Information Communication and Technology
i.e.	that is
IP	Information Privacy
JP	Justice of the Peace
KMP	Key Management Personnel
m	million/s
MA	Master of Arts
MBA	Master of Business Administration
MP	Member of Parliament
NRA	National Reciprocal Agreement
PLSL	Portable Long Service Leave
QAO	Queensland Audit Office
QGIF	Queensland Government Insurance Fund
QIC	Queensland Investment Corporation
Qld	Queensland
Qual	Qualification
RTI	<i>Right to Information Act 2009</i>

INTERSTATE SCHEMES

AUSTRALIAN CAPITAL TERRITORY

ACT Leave

Trevor Pearcey House
Unit 1, 28 Thynne Street
Bruce ACT 2617
Telephone: 02 6247 3900
Email: cleaning@actleave.act.gov.au
www.actleave.act.gov.au

NEW SOUTH WALES

Long Service Corporation

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

VICTORIA

Portable Long Service Leave Authority

Telephone: 1800 517 158
Email: enquiries@plsa.vic.gov.au
www.vic.gov.au/portable-long-service

OPEN DATA

For 2022–23, QLeave had no expenditure to report on overseas travel. Information on the Queensland Language Services Policy and consultancies expenditure 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

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GOVERNMENT BODY

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INTERPRETER SERVICE STATEMENT

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you need assistance in understanding the annual report, please contact us on 07 3018 0333 and we will arrange a language interpreter to effectively communicate the report to you.





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