



Building and Construction Industry (Portable Long Service Leave) Authority

Annual Report 2022 - 23

www.qleave.qld.gov.au



PORTABLE
LONG SERVICE
LEAVE

Acknowledgement of Country

QLeave acknowledges the Traditional Owners of the lands from across Queensland and pays respect to Elders past, present and emerging as we meet and operate. QLeave is 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 QLeave's non-financial and financial performance. This annual report provides a record of achievements against QLeave's Strategic Plan 2023–26.

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.

© QLeave 2023. QLeave is the trading name of the Building and Construction Industry (Portable Long Service Leave) Authority, established in 1992 to administer a paid long service leave scheme for eligible workers in the building and construction industry. The portable long service leave scheme is administered in accordance with the legislation.

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LETTER OF COMPLIANCE

24 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 Building and Construction 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



Peta Irvine
CHAIRPERSON
Building and Construction Industry (Portable Long Service Leave) Authority



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ABOUT THE AUTHORITY

QLeave commenced in 1992 to administer the portable long service leave scheme for workers and employers in Queensland's building and construction industry. QLeave was established under the *Building and Construction Industry (Portable Long Service Leave) Act 1991* (the Act).

Our Board comprises members representing workers and employers within the building and construction industry.

Under the Act, workers can accrue long service leave entitlements based on their length of service in the industry rather than continuous service with a single employer. The portable long service leave scheme does not alter the entitlements of long-term workers but provides access for workers who, in the past, were not able to accrue long service leave because of the nature of their work.

The scheme is funded by an actuarially determined levy on all construction work in Queensland that costs \$150,000 or more to complete, and the investment of these funds. The levy rate has been 0.35% since 1 July 2020.

In addition to the portable long service leave levy, we also collect the Building and Construction Work Health and Safety levy for Workplace Health and Safety Queensland and the Building and Construction Industry Training levy to support industry training.

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.

In 2022–23, we focused on the transformation and optimisation of our business. In February 2023, we completed a service delivery review, which sought to increase the efficiency and effectiveness of how we operate and administer our legislation. Throughout 2022–23, we implemented new processes and systems to support our workforce and build capability. With enhanced governance and enterprise risk management frameworks now in place, we are well positioned to continue transforming and improving how we operate over the next 12 months.

Throughout 2022–23, we heard from stakeholders and scheme participants who provided invaluable insights about their experience with us. These insights guided our approach to engagement, compliance and service delivery, helping us to provide services that meet the changing needs of our stakeholders across Queensland. In 2023–24, we will continue seeking feedback to ensure we remain responsive to stakeholders and improve accessibility to our services.

Importantly, we continued to put our people first in 2022–23 as we worked to support a safe, inclusive and resilient workforce that is well-equipped to meet our future needs. We progressed work on our inaugural Employee Value Proposition that will help us attract and retain employees who embody our organisational values. To create an inclusive workplace that celebrates difference, we began work on our first Diversity, Equity and Inclusion Strategy, which will be released in 2023–24. We also took early steps towards the next stage of our reconciliation journey, which includes the delivery of our Innovate Reconciliation Action Plan.

We would like to express our appreciation to our 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 building and construction industry now and in the future.

We also appreciate the ongoing efforts and contributions of employees, management and the Board. The current term of the Building and Construction Industry Board commenced on 10 November 2022 and expires on 9 November 2025. Particular thanks go to Mr Stephen Baker and Mr Arturo Menon who resigned from the Board in September 2022.

As we look towards 2023–24 and implementing our strategic plan, our vision is focused on making a positive difference for our industries – today, tomorrow and in the future. The Board and our 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. More explanatory information about the performance highlights is contained in the following sections of this report.

STRATEGIC OBJECTIVE 1: PUT OUR PEOPLE FIRST, AND BE AN EMPLOYER OF CHOICE

Strategies

- Build a safe, inclusive, diverse and resilient workforce.
- Recognise and reward high performance and seek continuous improvement.
- Drive a culture of integrity, empowerment and continuous learning.

GOALS	PERFORMANCE HIGHLIGHTS
Attraction, development and retention of our workforce	<ul style="list-style-type: none"> • Commenced development and implementation of our three-year Employee Value Proposition based on the Employer of Choice Framework. The Employee Value Proposition focuses on identifying: <ul style="list-style-type: none"> - how QLeave will attract, recruit and retain employees - the unique benefits and authentic work journey an employee will receive in exchange for the skills, capabilities and experience the employee demonstrates every day. • Provided regular opportunities for staff to learn and develop through mandatory training as well as relevant professional development training. • Enhanced the intranet content with the addition of a business module to support employees to develop their business knowledge.
Support and develop our staff to enhance workforce capability	<ul style="list-style-type: none"> • Launched a new platform on our intranet to provide a central information source for all staff, including work instructions, policies and processes. • Completed a service delivery review project that resulted in the redesign of 17 processes covering our core business activities and was supported by staff consultation and training. • Commenced development of a staff performance management framework to enhance our workforce capability. • Commenced development of a talent management and succession planning framework inclusive of an emerging leaders program to support and develop staff capability. • Developed and enhanced our information technology infrastructure to support flexible working arrangements that enable staff to work remotely, and improved video conferencing facilities. • Implemented an internal finance business partnering model with all business units to enhance financial literacy capability and decision-making. Topics of regular monthly business partner meetings included expenditure analysis, variance explanations, forecasting and budgeting support.



GOALS	PERFORMANCE HIGHLIGHTS
Provide a psychologically and physically safe, inclusive, diverse and resilient workplace	<ul style="list-style-type: none"> Developed and started implementing the Wellbeing Framework. Completed implementation of our Reflect Reconciliation Action Plan (RAP) 2022–23. The RAP focused on building relationships with Aboriginal and Torres Strait Islander communities and organisations, encouraging cultural awareness by employees and committing to future opportunities with First Nations peoples through employment and procurement. Commenced planning and development of the next Innovate RAP 2023–25 to continue the journey of reconciliation and received registration from Reconciliation Australia.
Improved results in the Working for Queensland survey	<ul style="list-style-type: none"> Our 2022 Working for Queensland survey results, when compared to the Queensland Public Sector average results, were higher in several areas including fair and equitable treatment, leadership, integrity, cultural safety and flexible work.

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"> Developed our Regulatory Framework and compared it against best practice guides across state, Commonwealth and international regulatory organisations. Commenced a program of work connected to providing an equitable and efficient system of portable long service leave for eligible workers in the building and construction industry (otherwise known as Remediation). The program includes consideration of historical decisions, policies, procedures and systems.
Evidence that our services meet the changing complex needs of stakeholder and scheme participants	<ul style="list-style-type: none"> Continued the manual process for the building and construction industry for new registrations to receive a welcome pack within three months of registering with us. Further system development work was completed to automate the process. 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 967 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 employer and worker registrations. Developed levies-based compliance plans including a pilot engagement program with local councils to increase voluntary compliance.



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 developing a Data Strategy roadmap to leverage our data sources, for more efficient generation of data-driven insights, analysis and reporting. • Used the Workforce Management system 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.

GOALS	PERFORMANCE HIGHLIGHTS
Increased efficiency and effectiveness of our governance, structure and processes	<ul style="list-style-type: none"> • Completed interim revisions of our Delegations Manual in February and June 2023 to facilitate improved governance, decision-making and accountability. • Completed development and implementation of an Enterprise Risk Management Framework with enhanced Risk Management Policy and Procedure aligned to : <ul style="list-style-type: none"> - AS/NZS ISO 31000:2018 Risk management – Principles and Guidelines - Prudential Standard SPS 220, where relevant - A Guide to Risk Management by Queensland Treasury (2020). • Developed and implemented a Controlled Document Framework, encompassing policies, procedures, statutory forms and other documents to manage accuracy, completeness and consistency. • Developed and implemented an integrated Planning and Reporting Framework and a Performance Measurement Framework as governance mechanisms to communicate requirements to staff in a transparent way, providing direction and expectations. • Completed divisional operational plans for 2022–23 and reported quarterly performance against goals and priorities of the strategic plan to ensure we achieved our strategic objectives. • Improved our business continuity planning documentation to support the continued delivery of our critical services during potential periods of major business disruption.
Improved accessibility to, and timeliness of QLeave services	<ul style="list-style-type: none"> • Refined and completed a mapped-out annual cycle of work to increase timeliness of service delivery considering data needed, business units' responsibilities, training and communications. This covered peak periods of issuing statements and processing claims. • Implemented a new Workforce Management System in January 2023, whose software supports service delivery.
Increased usage of digital front door	<ul style="list-style-type: none"> • Enhanced the portal to support workers and employers to engage digitally.



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.

EMBEDDING CONTINUAL IMPROVEMENT

Between July 2022 and February 2023, we completed a review of 17 of our core business processes.

Each redesigned process was underpinned by a set of five criteria, which ensured the review remained focused on delivering effective and optimised solutions. Redesigned processes were handed over to business units and supported by training and work instructions published to QCentral, our newly developed knowledge base on the intranet.

QCentral's implementation has enabled greater knowledge sharing across the business and the delivery of clear and consistent service, by making information and instructions available to all staff, in a centralised location.

DRIVING IMPROVEMENTS THROUGH FEEDBACK

In 2022–23, we completed a market research project that sought to understand the experience of scheme participants. Research was conducted across three phases, using qualitative and quantitative methods to capture feedback through in-depth interviews, focus groups and online surveys. Over the course of this research, we heard from more than 1,200 scheme participants including workers, employers, levy payers and industry stakeholders.

The final report was delivered in September 2022, and results were used to inform the development and implementation of our 2022–23 External Communication and Engagement Plan. The activities and approach outlined in the plan addressed areas for improvement identified through the research, to increase knowledge and awareness of QLeave and encourage industry-wide voluntary compliance.

Activities implemented to date include employer information newsletters, a renewed advertising and sponsorship schedule, increased use of LinkedIn as a communication channel and the relaunch of our annual survey schedule as an ongoing way of measuring satisfaction and tracking changes in understanding and awareness. The research findings will continue to guide our approach to communication and engagement in 2023–24.

ENGAGING WITH STAKEHOLDERS

During 2022–23, we engaged with industry stakeholders across Queensland to raise awareness of the scheme. Ongoing engagement activities included presenting at training sessions and webinars, visiting construction sites and participating in events including trade shows and conferences.

DIGITAL ENGAGEMENT

In 2022–23, we continued enhancing our digital engagement using feedback from stakeholders to provide timely and effective communication to scheme participants. This included launching a new employer information newsletter in response to feedback we received during the market research project that indicated that scheme participants wanted to hear from us more frequently.

We continued to update our online resources and YouTube channel, which in 2022–23 attracted more than 5,000 views of our instructional videos.

Our website remains the primary communication channel for engaging with the industry, with over 628,000 visitors to the website in 2022–23.

Mobile device traffic accounted for 40% of all website visits. Recognising the steadily increasing preference for mobile device usage, particularly among workers, we continued ensuring all updates to our website, online portal and any email communications were optimised for mobile devices.

INTRODUCTORY EDUCATION

We continued our arrangement with Technical and Further Education (TAFE) SkillsTech to promote the scheme to industry apprentices and trainees. Our Introduction to QLeave video ran in apprentice classes and was complemented by in-class presentations and regular site visits across South East Queensland throughout the year.

This early engagement with apprentices establishes an important relationship with these workers as they begin their careers in the industry and become informed of their future long service leave entitlements and benefits.

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, we focused on enhancing service delivery and improving contact centre operations through stakeholder feedback, systems, training, and data analysis and reporting.

VALUING STAKEHOLDER FEEDBACK

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

OPTIMISED SERVICE DELIVERY

During 2022–23, we received a total of 41,198 inbound calls related to the building and construction industry. We continued to use our quality assurance program to ensure scheme participants received reliable information and efficient support in response to their enquiries. In November 2022, we distributed 313,079 statements specifically to registered workers in the building and construction industry scheme for the financial year 2021–22.

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 our dedicated staff to address client enquiries promptly and accurately across all communication channels. Through advanced scheduling algorithms, improved reporting and trend analysis, we gained valuable insights into performance and workload patterns to enhance our capability. By leveraging historical data and forecasting, we effectively scaled our resources appropriately based on demand, staffing levels during peak periods and maintaining cost-effectiveness to meet the needs of scheme participants.

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	319,020	348,374

What this means:

The number of all registered workers with QLeave 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.

These figures are different from the total numbers of annual statements issued to registered workers because of invalid or no address details for workers, meaning QLeave cannot send statements; or workers were engaged with QLeave as part of the statutory process to cancel their registration, which mainly arises due to failing to be credited with service for at least four consecutive years.

Employers registered	24,885	27,230
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What this means:

The number of employers classified as newly registered employers.

Conclusion:

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

Number of claims paid	13,496	16,721
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What this means:

The number 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 number of claims paid to workers in 2022–23 compared to 2021–22.

Value of claims paid	\$92.9m	\$119.2m
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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 in 2022–23 compared to 2021–22.

STATISTICS	2021-22	2022-23
Capped weekly rate of pay	\$1,980	\$2,040

What this means:

The capped weekly rate of pay means the maximum weekly rate of pay reimbursed for both worker and employer long service leave claims. This means if a worker earns more than the capped weekly rate of pay, then the long service payment figure will be capped at that level.

A capped weekly rate of pay for all claims was introduced on 1 January 2009 to ensure the future sustainability of the portable long service leave scheme. The cap rate is reviewed before 1 July each year. At that point, the cap is fixed for the following financial year.

Conclusion:

There was an increase in the capped weekly rate of pay when comparing 2021-22 and 2022-23. A cap of \$2,040 per week applied to all worker claims, and employer claims for reimbursement, paid by QLeave from 1 July 2022 to 30 June 2023.

Worker claims – % online	81%	84%
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What this means:

The total percentage of workers claims during the financial year, submitted online by workers using the QLeave portal instead of using emailed or paper claim forms sent through the post.

Once workers have recorded 2,200 service credits (at least 10 years in the scheme), workers are able to claim 8.67 weeks of long service leave paid by QLeave.

Conclusion:

There was an increase in the number of workers claims submitted online by workers using the QLeave portal in 2022-23, compared to 2021-22. During 2022-23, QLeave's increased awareness initiatives to inform workers about the benefits and convenience of submitting claims online may have led to more workers choosing to utilise the online platform.

Employer reimbursement – % online	90.6%	94.7%
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What this means:

The total percentage of workers claims made during the financial year, submitted online by employers using the QLeave portal instead of using emailed or paper claim forms sent through the post. This applies when employers directly pay their workers long service leave claims and seek reimbursement from QLeave.

Conclusion:

There was an increase in the number of reimbursement claims submitted online by employers using the QLeave portal in 2022-23, compared to 2021-22. During 2022-23, QLeave responded to user feedback by making substantial enhancements to the QLeave online portal, which may have led to more employers submitting claims online.

Worker service returns – % lodged online	100%	99.77%
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What this means:

Worker service returns are defined as the employer lodging a worker service return online by using the QLeave portal instead of submitting a spreadsheet by email.

It is a legislative requirement for employers under the scheme to provide details to QLeave about their workers' service at the end of each financial year. This is called worker service returns and are due by 31 July each year. The service is recorded by QLeave as part of the worker's registration and counts towards their overall long service leave benefit.

Conclusion:

There was slight decrease in the percentage of worker service returns lodged online in 2022-23 (99.77%), compared to 2021-22 (99.92%). Conventional rounding was applied to the statistical results in previous years. Due to improvements in QLeave's ability to extract and interpret data, QLeave has not rounded the figure for this reporting period.



STATISTICS	2021-22	2022-23
Levies revenue	\$156.4m	\$177.4m

What this means:

The total financial value of levies collected by QLeave during the financial year.

The portable long service leave scheme is funded by a levy imposed on the total cost, whether direct or indirect, of building and construction work in Queensland costing \$150,000 or more (excluding the Goods and Services Tax). The levy is paid in conjunction with the Building and Construction Work Health and Safety (Queensland) levy and the Building and Construction Industry Training levy.

Conclusion:

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

Leviable cost of work notified during the 2022-23 financial year was \$51.5 billion compared to \$45.1 billion in 2021-22, with the largest increase being in the commercial sector.

Works notified	36,217	33,511
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What this means:

This is the total number of building and construction works notified to QLeave during the financial year. 'Works' means building and construction work.

For all building and construction work carried out in Queensland (including maintenance) where the total cost of work is \$150,000 or more (excluding the Goods and Services Tax), works must be notified to QLeave.

This is important for calculating the levy based on the cost of work which includes all costs incurred by the owner (excluding Goods and Services Tax) that relate directly and indirectly to building and construction work.

Levy payers are obligated to notify QLeave of the final cost of work once building and construction work has been completed to enable QLeave to amend levy calculations if required based on any differences from the initial amount notified to QLeave.

Conclusion:

There was a decrease in the number of all building and construction works notified during 2022-23 compared to 2021-22.

Although the number of project notifications decreased in 2022-23, there was an increase in the average value of works notified, including 11 projects with a cost of work value greater than \$400 million, compared to five in 2021-22.

% Works notified online	98%	97%
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What this means:

The total number of building and construction works notified to QLeave during the financial year online using the QLeave portal instead of by other ways. 'Works' means building and construction work.

For all building and construction work carried out in Queensland (including maintenance) where the total cost of work is \$150,000 or more (excluding the Goods and Services Tax), works must be notified to QLeave.

Conclusion:

There was a slight decrease in the number of all building and construction works notified during 2022-23 compared to 2021-22.

COMPLIANCE REPORT

During 2022–23, we focused on strengthening compliance activities to enhance and promote voluntary scheme compliance in the building and construction industry. The delivery and expansion of discreet, focused compliance campaigns achieved increased compliance throughout the year. These continuous improvements, supported by a culture of engagement and awareness-raising activities with industry partners, as well as enforcement action taken where required, supported compliance with the relevant legislation by duty holders.

We cultivated a productive ongoing relationship with local government councils as levy payers under the building and construction industry scheme. This involved implementing an Engagement pilot project, where intelligence and data were used to support the formulation of ongoing compliance strategies. Through this engagement, we started developing a more consistent and comprehensive procedural framework for implementation by the local government councils to meet compliance obligations.

To ensure a level playing field, we continued our levy auditing program, focusing on those levy payers that have been under-notifying or not notifying us of levy obligations. As a result of this auditing process, an additional \$15.6 million in the building and construction industry portable long service leave levy was collected during 2022–23. We routinely review amounts notified by levy payers and seek to confirm the payable levy at the end of the building and construction project. As a result of this review process, we received an additional \$4.6 million in 2022–23 of portable long service leave levy. The amount recovered represents the additional levy payable as a result of building and construction projects costing more than the original notified amount.

During 2022–23, we continued receiving and responding to employer complaints from workers regarding their employer failing to record their service with us. The benefit of undertaking an assessment into an employer as a result of receiving a complaint of this nature is that all workers of that employer can be assessed for missing service credits. As a result, 427 employer-related complaint assessments were actioned in 2022–23.

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

QLLeave returned an addition to fund of \$264.2 million and a balance sheet equity position of \$478.5 million during the 2022–23 financial year.

Total income of \$310.8 million was 224.6% higher than in 2021–22. The increase was due to the net fair value gains on investments of \$78.6 million. Additionally, portable long service leave levy income was \$177.4 million, which was 13.4% higher than 2021–22 – driven by an increase in the value of leviable building activity, particularly in the commercial sector.

The total expenditure of \$46.5 million was 49.6% lower in 2022–23 than in 2021–22. The decrease in 2022–23 was mainly due to 71.5% lower portable long service leave scheme benefit expenses than in 2021–22. The actuarial review as at 30 June 2023 resulted in a decrease to the provision for portable long service leave claim entitlements of \$99.4 million. Long service leave claims totalling \$119.2 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 \$478.5 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 145.8% funded.

STATEMENT OF COMPREHENSIVE INCOME*

Classes of transactions, account balances or disclosures	Change	Key drivers
Portable long service leave levies \$177.4m	↑ \$21m 13%	The increase was due to an increase in the value of leviable building activity, particularly in the commercial sector.
Income from investments \$48.6m	↓ \$0.1m 0.1%	The decrease was due to slightly lower distribution income received during 2022–23.
Net fair value gain on investments \$78.6m	↑ \$193.1m 169%	The increase reflected performance of investment markets over the course of 2022–23.
Employee expenses (\$12.3m)	↑ \$3.6m 41%	The increase was due to the cost of increased staffing resources required to provide additional capability and capacity.
Supplies and services (\$5.8m)	↑ \$0.5m 9%	The increase was due to higher costs, particularly for consultancy and legal fees throughout 2022–23.
Fund management fees (\$7.4m)	↑ \$0.02m 0.3%	Fund management fees were in line with fees for 2021–22.
Portable long service leave scheme benefits (\$19.8m)	↓ \$49.6m 71%	The decrease reflected the movement in the scheme provision since 2021–22.

*Only major income and expense items have been listed in the above table for the Statement of Comprehensive Income.



STATEMENT OF FINANCIAL POSITION

Classes of transactions, account balances or disclosures	Change	Key drivers
Total current assets \$1,356.4m	↑ \$167m 14%	The increase reflected the growth in fair value for investments.
Current provision and non-current provision for scheme benefits (\$881.7m)	↓ \$99.4m 10%	The decrease was due to the actuarial review as at 30 June 2023.
Net assets \$478.5m	↑ \$264.2m 123%	The increase was due to a decrease in the provision for scheme benefits, combined with the growth in fair value for investments, from 2021–22.

ENTERPRISE RESOURCE PLANNING SYSTEM UPGRADE

The Authority uses an Enterprise Resource Planning (ERP) system to manage its accounting, which supports the automation and streamlining of processes related to finance.

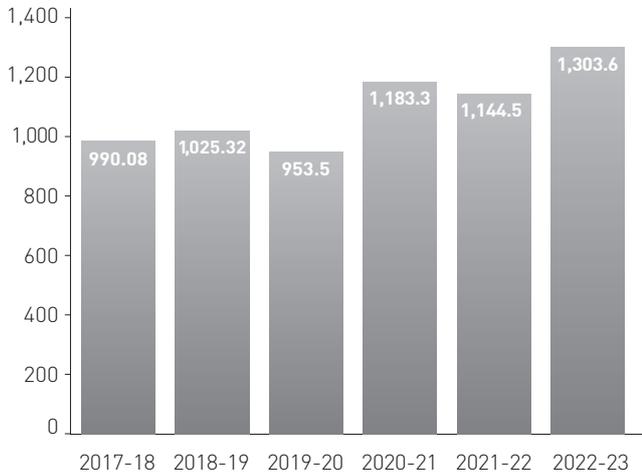
Phase 2 of the ERP system project, the final phase, was completed during the 2022–23 financial year, with the system going 'live' on 29 November 2022.

As part of the ERP system upgrade project, phase 2, we implemented enhancements to financial processes to embed better practice financial activities. Over the months following implementation, we commenced work to maximise the automation capability of the upgraded software and to realise efficiencies.

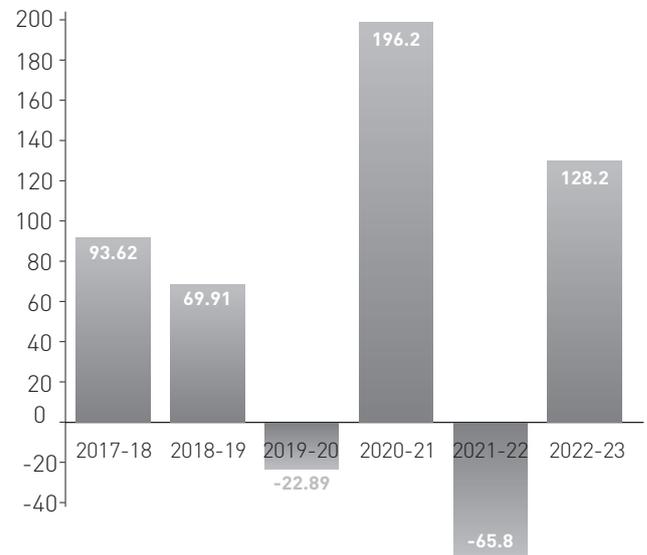


INVESTMENT MARKET PERFORMANCE

Funds invested in \$millions 2017-2023

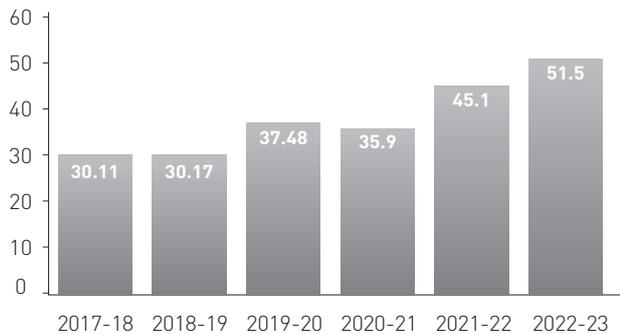


Investment Returns in \$millions 2017-2023



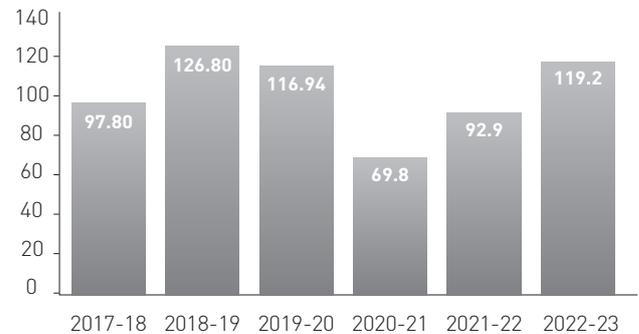
BUILDING ACTIVITY

Value of project levy in \$billions 2017-2023



LONG SERVICE LEAVE CLAIMS PAID

Value of claims paid in \$millions 2017-2023





ACTUARIAL REPORTING

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

Mercer Consulting forecasts whether investment strategies will continue to generate sufficient funds to meet future commitments for portable 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 or deficit
- recommend the future levy rate having regard to the financial position of the scheme and the funding objectives and risk preferences of the Board
- provide projections of the scheme's future financial position under a number of scenarios.

EXTERNAL AUDIT

The external audit function is undertaken by William Buck (Queensland) as a contract auditor for the Queensland Audit Office (QAO). The external audit program and timetable are presented to the Finance, Audit and Risk Management Committee in April of each year for endorsement and referral to the Board for approval. Annually in August, the findings, recommendations and audited financial statements are presented to the Finance, Audit and Risk Management Committee for endorsement and referral 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 and service delivery activities, just as our data and information must be reliable to inform decisions. An enterprise approach to technology and information management 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 Customer Relationship Management (CRM) systems by establishing a network of subject matter experts for each established CRM
- transitioned all payments from the Navision system to the Microsoft Business Central platform
- completed the second phase of the ERP system upgrade to transition building and construction industry transactions to the Business Central platform from Navision
- completed phase 1 of Connex CRM system integration with the Micro Focus Content Manager system, which enables automatic folder creation during the customer registration process
- took steps to comply with Queensland state government Information Security Management System requirements.

In 2022–23, 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 enhance our ability 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, and reporting metrics of our performance to 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 held 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 the relevant legislation, Queensland State Archives policies, standards and guidelines, and best practice methods as outlined in applicable international standards. This is achieved through several policies, including:

- Records Management Policy
- Records Governance Policy
- Digitisation and Disposal Policy
- Digital Recordings and Images Policy
- Information Asset Custodian Policy.

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.

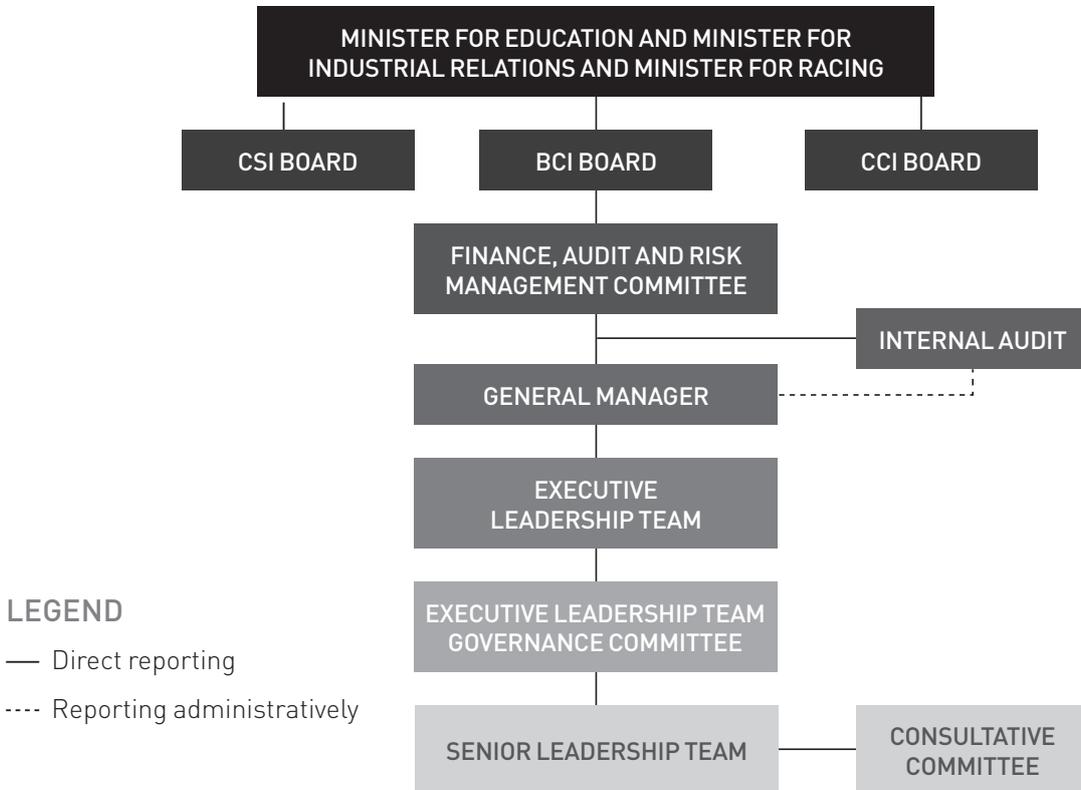
In 2022–23, the following initiatives and activities were undertaken:

- 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

QLeave is governed by a board of directors (the ‘Board’) 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.

QLeave administers the Contract Cleaning Industry (Portable Long Service Leave) Scheme and the Community Services Industry (Portable Long Service Leave) Scheme and is reimbursed for the provision of its services through administration cost sharing arrangements.

The role of the Board includes:

- responsibility for QLeave’s commercial policy and management
- ensuring, as far as possible, QLeave achieves and acts in accordance with its strategic goals and carries out its strategic objectives outlined in the strategic plan
- providing advice and recommendations to the Minister on issues affecting the provision of long service leave in the industry and the operation of the Act
- ensuring that QLeave performs its functions in an appropriate, effective and efficient way.

The Board operates under the provisions of the Act and other governing legislation and within the scope of the Board Guidelines.



COMPOSITION OF THE BOARD

The Board is appointed for a term of three years, and directors are eligible for reappointment. The current Board's term commenced on 10 November 2022 and expires on 9 November 2025.

The Board consists of eight directors:

- the chairperson
- the deputy chairperson, who must have knowledge of, and experience in, financial affairs
- three directors representing employers in the building and construction industry
- three directors representing workers who perform building and construction work.

Board directors are selected for their depth of knowledge, expertise and experience in either finance and investment, law, corporate governance and/or the building and construction industry. The Board is proactive in identifying factors affecting the building and construction 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:** Peta Irvine
- **Deputy Chairperson:** Teresa Hamilton
- **Employer Representatives:** Damian Long and Sue-Ann Fresneda
Penny Cornah was an Employer Representative Committee member until 4 September 2022.
- **Worker Representatives:** Peter Ong, Kane Lowth and Mark Raguse.
Stephen Baker and Arturo Menon were directors representing workers until 4 September 2022.

FOCUS FOR THE BOARD 2022–23

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

- support management and the organisation in ongoing review and improvement, including culture change and business efficiency
- have oversight of QLeave's investments
- undertake a review of the cost allocation model to ensure the administration cost sharing arrangements remained appropriate across the three schemes
- assess the actuarial position to ensure sufficiency of funds and adequacy of the levy rate
- 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 to minimise risk
- ensure management addresses any findings and recommendations of the internal and external audit functions in a timely manner
- endorse the annual budget before seeking ministerial approval
- review and endorse the wage rate for long service leave claims before seeking ministerial approval
- endorse the financial statements for QAO certification
- monitor scheme eligibility to ensure current criteria were adequate and appropriate.



The Building and Construction Industry Chair and the Chairs of the Contract Cleaning Industry (Portable Long Service Leave) Authority Board and the Community Services (Portable Long Service Leave) Authority Board attended a workshop with management to examine the alignment of the three Boards' position on risk management and to develop a risk appetite statement across the organisation. The Boards endorsed the risk appetite statement in June 2023.

The Board also participated in a governance workshop to refresh the roles and responsibilities of directors on government boards in May 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 receive annual remuneration.

BOARD PERFORMANCE ASSESSMENT

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

BOARD MEETINGS

The Board met four times during 2022–23 and made one decision out of session.

FINANCE, AUDIT AND RISK MANAGEMENT COMMITTEE

The Board is supported by a Finance, Audit and Risk Management Committee (the Committee), which acts in an advisory capacity to the Board. The Committee assists the Board in fulfilling its corporate governance and oversight responsibilities.

The Committee aims to focus greater attention on specified responsibilities. The Committee's key role is to provide reasonable assurance to the Board that QLeave's core business objectives are being achieved in an efficient, effective and economical manner, with an appropriate framework of risk management and internal and financial controls.

The Committee's responsibilities include those under the *Financial Accountability Act 2009*, the *Statutory Bodies Financial Arrangements Act 1982* and the Financial and Performance Management Standard 2019. The Committee operates under guidelines that comply with:

- the Queensland Treasury Audit Committee Guidelines
- the Institute of Internal Auditors International Professional Standards.

The Finance, Audit and Risk Management Committee was reconstituted on 22 November 2022 following the reappointment of the Board and comprises:

- **Chairperson:** Teresa Hamilton
- **Employer Representatives:** Sue-Ann Fresneda and Damian Long.
Penny Cornah was an Employer Representative Committee member until 4 September 2022.
- **Worker Representatives:** Kane Lowth and Mark Raguse.
Peter Ong and Arturo Menon were Worker Representative Committee members until 4 September 2022.



The Committee plays an important role concerning the integrity of our financial information and system of internal controls and encompasses the following areas:

- external audit and financial reporting
- internal audit functions
- risk management and internal controls
- compliance with performance management frameworks
- compliance with legislative and regulatory requirements
- reviewing the Board's Investment Policy Statement
- monitoring the performance of QLeave's investments in line with the Investment Policy Statement
- reviewing and monitoring the performance of QLeave's funds manager.

An external provider, BDO, undertakes our internal audit function. Our external audit function is undertaken by an external provider, William Buck, with oversight by the QAO. Both external providers report to the Board through the Finance, Audit and Risk Management Committee.

The Committee complies with its reporting obligations through regular reports to the Board under section 30(5) of the Financial and Performance Management Standard 2019.

FOCUS FOR THE FINANCE, AUDIT AND RISK MANAGEMENT COMMITTEE 2022–23

During 2022–23, the Finance, Audit and Risk Management Committee undertook:

- oversight of the external audit process and financial statements
- oversight of the internal audit program
- endorsement of the close-out of the internal audit recommendations
- oversight of QLeave's strategic risk management framework
- oversight of the performance of the Authority's investments
- review of the actuarial assumptions and the actuarial assessment
- review of the budget assumptions and the annual budget
- review of the maximum wage rate for claims.

COMMITTEE MEETINGS

The Finance, Audit and Risk Management Committee met three times during 2022–23.

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 Building and Construction Industry Board.

PETA IRVINE, MBA, BA (Hons), DipFinPlan, DipNSL, FAICD – CHAIR

Peta Irvine has a wealth of experience in strategy development and alignment, governance and risk, marketing, Australian Prudential Regulation Authority-regulated entities, corporate and financial performance, investment and insurance, board performance and culture.

Peta holds a number of non-executive Board positions including with the Teachers' Union Health, International House College and Resolution Pathways and also a number of committee positions within these organisations. Peta was a non-executive director of Intrust Superannuation Fund for 10 years and was Chair of a number of its committees.

Peta is currently the Chief Executive Officer of Local Government Managers Australia Qld Inc. Previous positions include General Manager (Accommodation) at the Australian Hotels Association and management roles in the Passenger Transport Division of Queensland Transport.

Peta holds a Master of Business Administration (MBA), Bachelor of Arts (BA) (Hons), Diploma of Financial Planning (DipFinPlan), Diploma of Neuroscience of Leadership (DipNSL), and is a Fellow of the Australian Institute of Company Directors (FAICD) and Fellow of the Institute of Management and Leadership. Peta is a member of the NeuroLeadership Institute, Local Government Managers Australia and Women on Boards.

Peta was first appointed to the Board in 2019.

TERESA (Terri) HAMILTON, LLB, DipFinPlan, MAICD – DEPUTY CHAIR

Terri Hamilton has over 35 years' experience in the financial services industry, with experience that is transferable to other regulated sectors. This includes deep governance, operational risk, compliance, financial and audit skills. Until her retirement from full-time employment in February 2022, Terri was a member of Sunsuper's executive team. During her 13 years' employment with Sunsuper, Terri's roles included Company Secretary, Executive General Manager Customer Engagement and Executive General Manager Risk, Legal and Compliance.

Terri is an experienced company director – former directorships were at the national Board of the Association of Superannuation Funds of Australia, QSuper, Ergon Energy and Teachers' Union Health. Terri is currently providing services as a consultant. Her qualifications include a Bachelor of Laws (LLB) and Diploma of Financial Planning. Terri is admitted as a solicitor in Queensland and New South Wales and is a Member of the Australian Institute of Company Directors (MAICD).

Terri was originally appointed to the Board in April 2022 and is Chair of the Finance, Audit and Risk Management Committee.

PENNY CORNAH, DipHR, DipHosMgt, DipEventMgt, CertIVTrngAssmnt, MAICD – EMPLOYER REPRESENTATIVE

Penny Cornah is the Executive Director of the Master Plumbers' Association of Queensland (MPAQ), which is the peak industry body representing plumbing and gas contractors throughout Queensland.

Penny was appointed as a Director of Master Plumbers' Australia Ltd in 2012 and was Company Secretary from 2016 to 2020.

Penny holds a number of roles, which include Chairperson of the Service Trades Council, a statutory body that sits under the Queensland Building and Construction Commission, Director of the Service Trades College and non-executive Director of Construction Skills Queensland. Penny was appointed as a Director to the Australian Building Codes Board in 2020 and is also appointed to the Queensland Government's Ministerial Construction Council.

Penny is the Vice President of the National Association of Women in Construction (Queensland Chapter) and a member of the Women on Tools Committee. Penny's association with a number of organisations to support women in the building and construction industry continues to bring a balanced view to the Board.

Penny holds a number of industry-related certificates and diplomas and is a Member of the Australian Institute of Company Directors.

Penny was first appointed to the Board in 2016 and was a member of the Finance, Audit and Risk Management Committee from 5 September 2019 until 4 September 2022.

SUE-ANN FRESNEDA, BBus, GAICD – EMPLOYER REPRESENTATIVE

Sue-Ann Fresneda is the Deputy Chief Executive Officer of the Master Builders Association Queensland and was previously the Director of Business Development and Membership for Master Builders.

Sue-Ann is also a non-executive Director of Construction Skills Queensland and a member of the Queensland Women in Construction Advisory Committee.

Sue-Ann's previous roles have included General Manager for Operations (Queensland) and Advertising Sales Director for NewsCorp, non-executive Director for the Building Employees' Redundancy Trust and non-Executive Director for Construction Income Protection Pty Ltd.

Sue-Ann brings a broad range of industry experience across commercial, corporate and not-for-profit sectors, as well as expertise in business development and innovation.

Sue-Ann holds a Bachelor of Business (BBus) and is a Graduate of the Australian Institute of Company Directors.

Sue-Ann was first appointed to the Board in 2019 and is a member of the Finance, Audit and Risk Management Committee.

DAMIAN LONG, BEng (Civil) (Hons), GAICD – EMPLOYER REPRESENTATIVE

Damian Long is the Chief Executive Officer of the Civil Contractors Federation Queensland. His previous non-executive experience includes Branch President, Branch Vice President and Branch Treasurer of the Civil Contractors Federation – Queensland Branch.

Damian has over 30 years' construction experience in earthworks, road works, structures, residential and industrial subdivision construction, and project and business management. He has a wealth of experience in senior management roles in private organisations and dealing with public sectors.

Damian is a non-executive Director of Construction Skills Queensland (CSQ), Chairperson of the Finance, Risk and Audit Committee (CSQ) and an adjudicator under the *Building Industry Fairness (Security of Payment) Act 2017*.

Damian holds a Bachelor Engineering (BEng) (Civil) (Hon) and is a Graduate of the Australian Institute of Company Directors.

Damian was first appointed to the Board in 2016 and is a member of the Finance, Audit and Risk Management Committee.

PETER ONG, GAICD – WORKER REPRESENTATIVE

Peter Ong is State Secretary of the Electrical Trades Union (ETU). His role encompasses the overall management of the ETU's financial, political and industrial interests.

Peter's previous roles have included Assistant State Secretary and Organiser. Peter has worked for the ETU for 20 years to achieve the best outcomes in wages, conditions and health and safety for workers.

Peter is of the Chair of the Construction Industry Redundancy Trust and co-Chair of the Ministerial Energy Council. Peter is also a member of the Energy Industry Council. Previously, Peter was a non-Executive Director of the Electrogroupp Apprenticeships and Training and a non-Executive Director of the Energy Super Fund, and he was appointed to the Ministerial Construction Council.

Peter is a graduate of the Australian Institute of Company Directors and has undertaken the Trustee Director Course with the Australian Institute of Superannuation Trustees.

Peter was first appointed to the Board in 2019 and was a member of the Finance, Audit and Risk Management Committee from 5 September 2019 until 4 September 2022.



MARK RAGUSE, BA, GradDip Ed – WORKER REPRESENTATIVE

Mark Raguse is the Assistant Secretary of the Australian Workers' Union of Employees, Queensland (AWU) and a member of the AWU National Executive.

Mark has almost 30 years of experience in industrial relations and work health and safety within Queensland.

Mark holds a Bachelor of Arts, Graduate Diploma in Secondary Education, a Certificate in Policy Analysis and a Certificate in Arbitration and Mediation.

Mark is also a Director of Labor Holdings and a member of the Queensland Work Health and Safety Board.

Mark was appointed to the Board in 2022 and is a member of the Finance, Audit and Risk Management Committee.

KANE LOWTH – WORKER REPRESENTATIVE

Kane is the Assistant State Secretary of the Construction, Forestry, Mining and Energy, Industrial Union of Employees, Queensland State Construction and General Division (CFMEU), the major construction union in Queensland and the Northern Territory, which represents workers across a broad range of industries.

Kane has over 20 years' experience as an Official in the trade union movement advancing workers' wages, conditions and workplace health and safety. Kane was initially employed by the Union in his role as an organiser in the regions and has subsequently worked in all sectors of the industry. He currently has responsibility for coordinating organiser activities in construction and civil sectors in regional Queensland and the Northern Territory and Major Projects, which involves dealing with day-to-day issues for workers living and working in remote areas.

Kane also oversees the Industrial Relations team within the Branch of the CFMEU. Kane holds a position on the Divisional Executive of the CFMEU and is a member of the Divisional Branch Council which oversees finance and governance of the CFMEU respectively. Kane is a Director on the Construction Income Protection (CIP) Board.

Kane was appointed to the Board in 2022 and is a member of the Finance, Audit and Risk Management Committee.

STEPHEN BAKER, DipSuper, Cert IVFrontlineMgt – WORKER REPRESENTATIVE

Stephen Baker was the Branch Secretary of the Australian Workers' Union (AWU) Queensland Branch until his retirement in 2022.

Stephen was appointed to the Board in February 2019 and did not seek reappointment in September 2022.

ARTURO (Bluey) MENON – WORKER REPRESENTATIVE

Bluey Menon is the Coordinator and Industrial Liaison Officer for the Building Employees' Redundancy Trust (BERT).

Bluey has many years of experience working in the construction and manufacturing industries, either as an employee, or as an Official of the CFMEU.

Bluey was appointed to the Board in September 2019 and was a member of the Finance, Audit and Risk Management Committee. Bluey did not seek reappointment in September 2022.

INTERNAL AUDIT

BDO undertakes QLeave's 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.

The internal audit program has adopted an integrated approach on the issues of governance, risk management and compliance.



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
- 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 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 will monitor and report material risks using a material risk register.



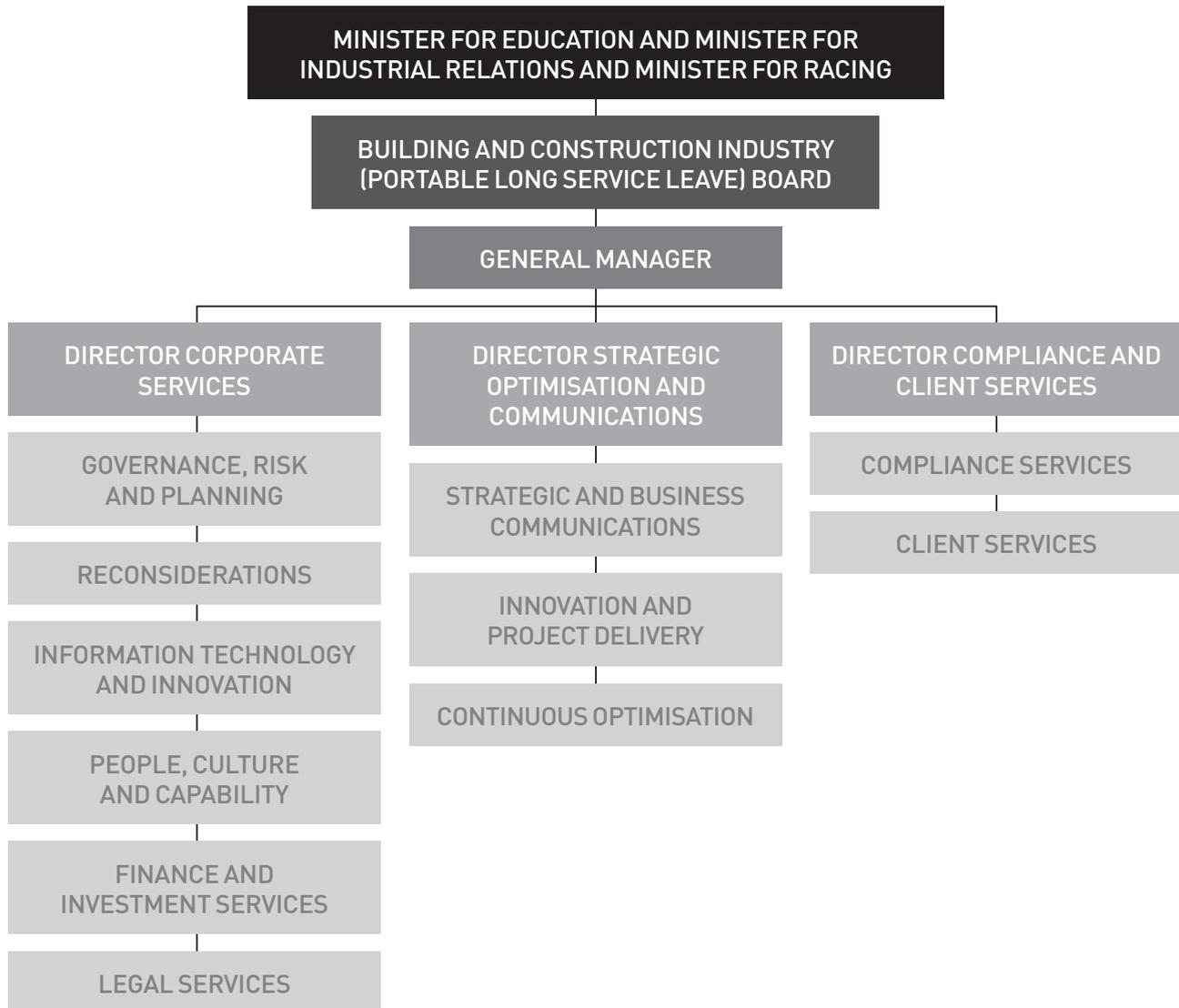
EXECUTIVE MANAGEMENT AND STRUCTURE

QLEAVE'S ORGANISATIONAL CHART

During 2022–23, QLeave's organisational structure was reviewed as part of continual improvement to continue delivering efficient, effective and sustainable service delivery.

A summary of responsibilities and achievements for each stream is contained under the relevant sections within this report, as well as the listing of responsibilities of our executive management leaders in the next section.

QLeave's organisational structure as at 30 June 2023 is shown below.



OUR EXECUTIVE MANAGEMENT LEADERS

Mr Brett Bassett, our General Manager, holds a Bachelor of Education, an MBA, is a Fellow of the Governance Institute of Australia and is a Graduate of the Australian Institute of Company Directors as well as a certified fraud examiner.

As part of our organisational review, one of the three divisions was retitled in January 2023 to Strategic Optimisation and Communications to reflect a change in direction.

EXECUTIVE LEADERSHIP TEAM

An Executive Leadership Team (ELT) comprising the General Manager and the three Directors steer our organisational change program, focusing on strategic planning, risk management, operational enhancement, financial performance, corporate governance functions and significant projects. The ELT also work to ensure quality implementation of all in-house committees' recommendations and internal and external audits.

As at 30 June 2023, the ELT reported through the General Manager to the Finance, Audit and Risk Management Committee and the Boards.

The General Manager is accountable to the Board and the Minister, and has overall responsibility for:

- fulfilling the statutory duties of the General Manager as our accountable officer, as provided for in relevant legislation
- managing our operations while building functionality, capacity and capability to support the delivery of high-quality and professional client service
- ensuring that funds are available to meet commitments while maximising earnings through strategic investment of surplus funds
- leading the implementation of enhanced analytical capacity to provide quality reporting to the boards regarding financial, productivity and efficiency performance as part of an integrated reporting framework
- developing strategic relationships and providing advice and information to the Board and the Minister. The General Manager also engages with key industry associations, unions, businesses and other stakeholders on matters relevant to us
- strategically leading the efficient delivery of associated services and functions, including collection and distribution of levies for the building and construction industry
- ensuring the highest ethical standards of corporate governance and risk management are maintained
- supporting the Boards in advising the Minister with respect to:
 - the administration of, and provisions of, the relevant Acts
 - the long service leave levy and payment for each scheme
 - other issues affecting the industries served by us, including through regular national and international environmental scans
- leading the development and enhancement of a team culture, our strategic direction, and continuous improvement.

Director, Corporate Services, Glenn Lennon, is responsible for:

- leading the functions of governance, risk management and planning, finance and investment, human resource management, information technology and innovation, policy, legal and reconsiderations
- building team capability, nurturing a high performing team culture and inspiring individual and team commitment in the pursuit of results
- ensuring high-level financial oversight, reporting and advice is provided to the General Manager and the Boards regarding our budget, revenue performance and ongoing capacity in meeting commitments, including liaising with our provider of actuarial services
- ensuring effective implementation of corporate governance, quality management systems and risk management strategies are developed and embedded throughout the organisation and meet legislative requirements
- ensuring effective legal services are provided to the General Manager and the organisation, including enhancements of policy, process and frameworks to support employees in their roles
- ensuring readiness of the organisation for new policy and legislative changes as they arise
- maintaining key stakeholder relationships within QLeave and other government agencies through negotiating objectives, initiatives, governance or financial arrangements in alignment with whole-of-government strategies and programs.



Director, Compliance and Client Services, Robert O'Brien is responsible for:

- leading the Client and Compliance Services teams, including the function of stakeholder engagement
- building team capacity and capability, nurturing a high performing team culture and inspiring individual and team commitment in the pursuit of results
- identifying and providing advice and support to the General Manager and Boards
- working collaboratively to shape corporate deliverables in support of our strategic direction
- providing expert analysis and strategic advice to the General Manager on stakeholder engagement, service innovation and compliance activities
- strengthening engagement with levy payers, employers and workers, ensuring that stakeholder ideas and insights are incorporated into strategy, planning and continuous improvement.

Director, Strategic Optimisation and Communications, Rebecca Sampson is responsible for:

- leading the Strategic and Business Communication team
- driving the project management of our strategic projects and initiatives
- designing appropriate processes, tools and techniques to support organisational change management.

ELT GOVERNANCE COMMITTEE

In July 2022, the ELT Governance Committee (the Committee) was established as a new governance mechanism to enhance assurance over our strategic decisions by supporting transformational reform and mitigating and having oversight of strategic risks and strategic projects. The Committee meets regularly and supports the General Manager in updating the Boards about our performance, resources, risks and achievements. The Committee incorporated the functions of the Project Governance Committee.

The primary role of the Committee is to guide and direct us and support reporting to each Board in respect to:

- setting performance goals for the organisation
- overseeing risk management across the organisation
- overseeing transformation and optimisation projects within the organisation
- ensuring corporate compliance and management accountability for the organisation's operations
- delivering against the strategic plan endorsed by the Boards
- delivering and meeting the annual budgets set by the Boards
- supporting the Boards to achieve their investment strategies.

The Committee is chaired by the General Manager with the QLeave Directors as members and the Manager, Governance, Risk and Planning as an attendee. The Executive Assistant to the General Manager is the Committee secretariat.

SENIOR LEADERSHIP TEAM

During 2022–23, the Senior Leadership Team (SLT), comprising ELT and all managers, changed focus and operated as an agile, whole-of-agency management forum. This change was due to the establishment of the ELT Governance Committee, which provided the principal means of assurance over strategic risks and strategic projects.

CONSULTATIVE COMMITTEE

QLeave's Consultative Committee is a consultative body established to facilitate meaningful consultation between management and unions on matters arising under the State Government Entities Certified Agreement 2019 or matters that otherwise impact or may impact the workforce of QLeave.

The Consultative Committee continued during 2022–23, meeting quarterly. It focused on QLeave workforce matters and supporting QLeave employees.

COMPLAINTS HANDLING

We are committed to dealing with and resolving customer complaints in a fair and timely manner, in line with our Customer Complaints Management policy, and compatible with human rights.

Details of the customer complaints received and actioned by us during the 2022–23 financial year are outlined within our publications scheme on our website at www.qleave.qld.gov.au/about-us/corporate-publications/publication-scheme.

HUMAN RIGHTS

QLeave is committed to ensuring that human rights considerations form part of all aspects of decision-making and complaint management processes.

Complaints

During the 2022–23 financial year, no human rights complaints were received by us, and no complaints were later assessed as involving human rights.

Actions taken to further the objects of the Human Rights Act 2019

We continued to promote the *Human Rights Act 2019* across the organisation by undertaking the following communication, awareness-raising and employee training activities during 2022–23:

- promoting the Human Rights Act through our communication channels such as our intranet, promotional awareness posters for Human Rights Week in December 2022 communicating the theme 'Close to Home', and in the General Manager's vlogs
- including a statement of commitment on our website with the 2023–26 Strategic Plan about respecting, protecting and promoting human rights in our decision-making and actions, by building a culture that supports the Human Rights Act
- employees from across the organisation, including complaints handling and compliance officers, attended human rights training that was delivered in-house by the Human Rights Commission.

Reviews of policies, procedures and practices

During 2022–23, we undertook the following review activities that have been embedded as part of ongoing business activities:

- developing a Human Rights Policy in June 2023 to ensure all employees follow a consistent and transparent decision-making process including decision-making responsibilities and understanding when and how to undertake a human rights assessment
- reviewing and developing QLeave policies and procedures to ensure alignment and compatibility with human rights.



PEOPLE, CULTURE AND CAPABILITY

Our people and teams are at the centre of our organisation. They make a difference in managing portable long service leave for workers in three Queensland industries and collecting levy payments.

WORKFORCE PROFILE

QLeave's full-time equivalent (FTE) data as per the Queensland Government's minimum obligatory human resource information for the fortnight ending 30 June 2023 was 106.9 FTE employees. This represented an increase of 24.48 FTE employees compared to 30 June 2022, which reflected the renewed focus on service delivery and strengthening governance with the recruitment of policy, governance, resolution and legal teams.

During 2022–23, we recognised the following length-of-employee-service milestones:

MILESTONE YEARS	NUMBER OF EMPLOYEES
5 years	7
10 years	1
15 years	4
25 years	1

No redundancy or early retirement or retrenchment packages were paid during the reporting period.

STRATEGIC WORKFORCE PLANNING

Our workforce planning is an ongoing and important consideration, as it is used to align the business needs and priorities of QLeave with those of the workforce to ensure we can meet legislative, regulatory and service obligations with appropriate capability, knowledge and skill sets.

During 2022–23, we continued developing our inaugural Employee Value Proposition (EVP). Our EVP will define the experience we offer employees and sets out how we will attract, recruit and retain the type of employees that fit with our values and culture; and describes the unique benefits and authentic career journey an employee will receive in exchange for the skills, capabilities and expertise the employee demonstrates every day.

Our EVP will identify plans to design and create an agile, future-focused organisation and the capabilities necessary to maintain high performance with the implementation of a talent management framework, succession planning and an emerging leaders program. The release of the EVP is planned for early 2023–24.

PUBLIC SECTOR ETHICS AND VALUES

As part of our ongoing commitment to assisting our staff to understand their responsibilities as a public sector employee, we conducted external training on fraud and corruption inclusive of public sector obligations as an employee. To ensure ongoing learnings, staff complete the following mandatory training on an annual basis: Code of Conduct for the Queensland Public Service, cyber security, records management, fraud and corruption, Public Interest Disclosures, Right to Information and Information Privacy.

In supporting respectful relationships, we continued to raise awareness of domestic and family violence (DFV). DFV training was provided to all staff, with additional training provided to those in leadership and supervisory roles.

DIVERSITY, EQUITY AND INCLUSION

We are committed to supporting our employees by building a diverse, inclusive and culturally capable workforce that reflects our values and the Queensland communities we serve. During 2022–23, we worked on developing our first Diversity, Equity and Inclusion Strategy, which is planned for release early in 2023–24. We aim to create an inclusive culture that promotes the performance and wellbeing of our employees where everyone feels valued, and their contributions are respected irrespective of their identity, varied backgrounds, experiences and perspectives. To show leadership commitment to diversity, equity and inclusion, the Director Strategic Optimisation and Communications was appointed as our Diversity, Equity and Inclusion champion.

To further our commitment to psychological safety and wellbeing, we provided mental health first aid training to our workplace health and safety team to equip them to respond to employee's needs. To continue the focus on mental health and raise awareness, we conducted MATES in Construction sessions, providing innovative suicide prevention and mental health programs.

OUR COMMITMENT TO RECONCILIATION

During 2022–23, our Reflect RAP January 2022 to June 2023 was completed. Our next step in our reconciliation journey includes the delivery of our second RAP, Innovate. The Innovate RAP publicly communicates our commitment to reconciliation. To support internal and external stakeholders in the reconciliation journey, our inaugural RAP Advisor was engaged. Our RAP and RAP Advisor support our employees and leaders to:

- continue to build and embed cultural competence
- take culturally informed approaches to their day-to-day work
- ensure policy and service delivery reflect and are appropriate to the needs of Aboriginal and Torres Strait Islander peoples
- importantly foster a workplace culture that respects and values the skills, experiences and perspectives of Aboriginal and Torres Strait Islander employees and communities.



FINANCIAL STATEMENTS

**Building and Construction Industry
(Portable Long Service Leave) Authority**
For the Year Ended 30 June 2023

Building and Construction Industry (Portable Long Service Leave) Authority

Financial Statements

for the year ended 30 June 2023

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Building and Construction Industry (Portable Long Service Leave) Authority

Financial Statements

for the year ended 30 June 2023

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Building and Construction Industry (Portable Long Service Leave) Authority

Statement of Comprehensive Income

for the year ended 30 June 2023

OPERATING RESULT	Note	2023 \$'000	2022 \$'000
Income from continuing operations			
Portable long service leave (PLSL) levies	B1-1	177,401	156,430
Income from investments	B1-2	48,622	48,676
Net fair value gain (loss) on investments	B1-3	78,642	(114,468)
Interest		983	93
Other revenue	B1-4	5,127	5,016
Total income from continuing operations		310,775	95,747
Expenses from continuing operations			
Employee expenses	B2-1	12,290	8,715
Supplies and services	B2-2	5,817	5,359
Fund management fees		7,421	7,399
Impairment (reversals)/losses	B2-3	(497)	45
Depreciation and amortisation	B2-4	1,718	1,394
Portable long service leave (PLSL) scheme benefits	C8	19,781	69,348
Total expenses from continuing operations		46,530	92,260
Operating result from continuing operations		264,245	3,487
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		264,245	3,487

The accompanying notes form part of these financial statements.

Building and Construction 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	39,639	33,064
Receivables	C2	22,866	22,231
Investments	C3	1,292,561	1,133,546
Prepayments		1,319	564
Total current assets		<u>1,356,385</u>	<u>1,189,405</u>
Non-current assets			
Receivables	C2	10,932	11,017
Property, plant and equipment	C4-1	1,077	1,218
Right-of-use assets	C9-1	3,759	4,135
Intangible assets	C5-1	3,776	4,457
Total non-current assets		<u>19,544</u>	<u>20,827</u>
Total assets		<u>1,375,929</u>	<u>1,210,232</u>
Current liabilities			
Payables	C6	8,339	7,545
Provision for employee benefits	C7	1,952	1,562
Provision for scheme benefits	C8	661,500	717,400
Lease liabilities	C9-1	387	361
Total current liabilities		<u>672,178</u>	<u>726,868</u>
Non-current liabilities			
Provision for employee benefits	C7	150	121
Provision for scheme benefits	C8	220,200	263,700
Provision for make good		150	150
Lease liabilities	C9-1	4,724	5,111
Total non-current liabilities		<u>225,224</u>	<u>269,082</u>
Total liabilities		<u>897,402</u>	<u>995,950</u>
Net assets		<u>478,527</u>	<u>214,282</u>
Equity			
Accumulated surplus		<u>478,527</u>	<u>214,282</u>
Total equity		<u>478,527</u>	<u>214,282</u>

The accompanying notes form part of these financial statements.

Building and Construction Industry (Portable Long Service Leave) Authority
Statement of Changes in Equity
for the year ended 30 June 2023

	Accumulated Surplus \$'000
Balance at 1 July 2021	210,795
Total comprehensive income for the year	3,487
Balance at 30 June 2022	<u>214,282</u>
Total comprehensive income for the year	264,245
Balance at 30 June 2023	<u><u>478,527</u></u>

The accompanying notes form part of these financial statements.

Building and Construction Industry (Portable Long Service Leave) Authority

Statement of Cash Flows

for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Inflows:</i>			
Interest receipts		1,233	128
Portable long service leave (PLSL) levies		175,720	143,917
Other revenue		6,369	5,833
Goods and Services Tax (GST) collected from customers		640	542
GST input tax credits from Australian Tax Office (ATO)		737	887
<i>Outflows:</i>			
Employee expenses		(11,836)	(8,281)
Supplies and services		(4,474)	(4,363)
Interest expense - leases		(134)	(143)
Portable long service leave		(119,948)	(93,227)
GST paid to suppliers		(1,233)	(1,278)
GST remitted to ATO		(141)	(18)
Net cash provided by operating activities	CF-1	<u>46,933</u>	<u>43,997</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Inflows:</i>			
Investments redeemed		7,883	7,928
<i>Outflows:</i>			
Payments for investments		(40,000)	(35,000)
Investment expenses paid		(7,359)	(7,389)
Payments for intangibles and plant and equipment		(521)	(1,537)
Net cash used in investing activities		<u>(39,997)</u>	<u>(35,998)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Outflows:</i>			
Payments for leases		(361)	(336)
Net cash used in financing activities		<u>(361)</u>	<u>(336)</u>
Net increase in cash and cash equivalents		6,575	7,663
Cash and cash equivalents - opening balance		33,064	25,401
Cash and cash equivalents - closing balance	C1	<u>39,639</u>	<u>33,064</u>

The accompanying notes form part of these financial statements.

Building and Construction 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	264,245	3,487
<i>Non-cash items included in operating result:</i>		
Depreciation and amortisation expense	1,718	1,394
<i>Adjustments to investment items:</i>		
Investment income	(126,897)	65,833
Investment expense	7,360	7,399
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in receivables	(551)	(11,579)
(Increase)/decrease in prepayments	(755)	(166)
Increase/(decrease) in payables	794	808
(Decrease)/increase in PLSL scheme benefits provision	(99,400)	(23,600)
Increase/(decrease) in accrued employee benefits	419	421
Net cash provided by operating activities	46,933	43,997

Building and Construction 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 Building and Construction Industry (Portable Long Service Leave) Authority (Authority or QLeave) was established under the *Building and Construction Industry (Portable Long Service Leave) Act 1991*.

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 section 62(1) of the *Financial Accountability Act 2009*.

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 *Building and Construction Industry (Portable Long Service Leave) Act 1991*. 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 1992.

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 year.

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 at the date of signing the management certificate.

Building and Construction 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

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 the reporting date which are measured at their present value;
- Investments with the Queensland Investment Corporation (QIC) which are measured at fair value; and
- Non-current receivables which are measured at present value.

Historical cost

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

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 building and construction industry in accordance with the *Building and Construction Industry (Portable Long Service Leave) Act 1991*.

The Authority is funded by a levy of 0.35% imposed on building and construction activities over \$150,000 (GST exclusive). The Authority is further funded by income earned from 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 provides scheme administration services on a fee for service basis to the Contract Cleaning Industry (Portable Long Service Leave) Authority and the Community Services Industry (Portable Long Service Leave) Authority.

The Authority also provides levies collection services on a fee for service basis to:

- Workplace Health and Safety Queensland; and
- the Building and Construction Industry Training Fund (Qld) trading as Construction Skills Queensland.

Building and Construction 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>177,401</u>	<u>156,430</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 is recognised at the date of notification.

At a future date, should a notification be changed, withdrawn or cancelled then a negative impact on levy revenue will occur.

QLeave recognises revenue on formal cost of work notifications (notwithstanding the fact QLeave collects levies on longer term works over their term). The quantum of revenue is estimated based on three elements (i) the applicable levy rate (actual) multiplied by (ii) the leviable cost of work (estimate), discounted (iii) by the time cost of money (if material).

B1-2 INCOME FROM INVESTMENTS

	2023	2022
	\$'000	\$'000
Interest from:		
Queensland Treasury Corporation (QTC)	367	51
Queensland Investment Corporation (QIC)	5	-
Distribution from:		
QIC Long Term Diversified Fund	12,118	18,508
QIC Diversified Australian Equities Fund	10,187	12,893
QIC International Equities Fund	22,133	13,797
QIC Short Term Income Fund	2,088	2,749
QIC Cash Enhanced Fund	1,724	16
QIC Diversified Fixed Interest Fund	-	662
Total	<u>48,622</u>	<u>48,676</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 Long Term Diversified Fund		
Earnings	60,243	(37,617)
Less: Distributions	(12,118)	(18,508)
Fair value movement	<u>48,125</u>	<u>(56,125)</u>
QIC Diversified Australian Equities Fund		
Earnings	22,829	(13,944)
Less: Distributions	(10,187)	(12,893)
Fair value movement	<u>12,642</u>	<u>(26,837)</u>
QIC International Equities Fund		
Earnings	38,848	(9,222)
Less: Distributions	(22,133)	(13,797)
Fair value movement	<u>16,715</u>	<u>(23,019)</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.

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

Building and Construction Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2023

B1 REVENUE (continued)

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

	2023	2022
	\$'000	\$'000
QIC Short Term Income Fund		
Earnings	2,470	(1,339)
Less: Distributions	(2,088)	(2,749)
Fair value movement	382	(4,088)
QIC Cash Enhanced Fund		
Earnings	2,502	(137)
Less: Distributions	(1,724)	(16)
Fair value movement	778	(153)
QIC Diversified Fixed Interest Fund*		
Earnings	-	(3,583)
Less: Distributions	-	(663)
Fair value movement	-	(4,246)
Total fair value movement	78,642	(114,468)

* All funds were redeemed from the QIC Diversified Fixed Interest Fund and proceeds invested into the QIC Cash Enhanced Fund on the 13th April 2022.

B1-4 OTHER REVENUE

	2023	2022
	\$'000	\$'000
Revenue from contracts with customers		
Fees for service	5,107	5,011
Other	20	5
Total	5,127	5,016

Accounting policy - Fees for service

Services are provided over 12 month periods, and customers simultaneously receive and consume the benefits provided during these periods. The Authority invoices fees for services rendered, and recognises revenue, after the service delivery periods per the agreements.

The Authority provides scheme administration services to the:

- Contract Cleaning Industry (Portable Long Service Leave) Authority; and
- Community Services Industry (Portable Long Service Leave) Authority.

The Authority provides levy collection services to:

- Workplace Health and Safety Queensland; and
- Building and Construction Industry Training Fund (Qld) trading as Construction Skills Queensland.

Building and Construction Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2023

B2 EXPENSES

B2-1 EMPLOYEE EXPENSES

	2023	2022	
	\$'000	\$'000	
Employee benefits			
Salaries and wages	9,183	6,439	Wages and salaries due but unpaid at reporting date are recognised in the statement of financial position at the current salary rates. As the Authority expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.
Annual leave expense	958	724	
Employer superannuation contributions	1,205	827	For unpaid annual leave entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values.
Long service leave expense	347	298	
Employee related expenses			
Workers compensation premium	38	23	
Payroll tax	557	404	
Fringe benefits tax	2	-	
Total	12,290	8,715	
Full-time equivalent (FTE) employees*	106.9	88.9	

* FTE data as at 30 June 2023 is based upon the fortnight ending 30 June 2023.

Accounting policy - Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) as determined by the employee's conditions of employment.

Defined contribution plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined benefit plan - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the Authority at the specified rate following completion of the employee's service each pay period. The Authority's obligations are limited to those contributions paid.

Accounting policy - Workers compensation premiums

The Authority pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses.

Building and Construction Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2023

B2 EXPENSES (continued)

B2-2 SUPPLIES AND SERVICES

	2023	2022
	\$'000	\$'000
Advertising and promotions	110	122
Computer costs	1,712	1,641
Personnel development	109	64
Audit fees ⁽¹⁾	86	63
Contractor charges	1,277	1,829
Consultancy charges	1,147	653
Legal expenses	312	72
Travel costs	27	13
Telecommunication costs	5	4
Printing and photocopying	23	21
Reference materials	54	50
Insurance premiums - QGIF ⁽²⁾	10	11
Motor vehicle costs	14	12
Interest expense on office accommodation lease liabilities	134	143
Building services	116	108
Expensed Assets \$500 - \$5k	255	87
Other expenses	426	466
Total	5,817	5,359

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 of approximately equal value to the value of the consideration exchanged for those goods or services.

Accounting policy - Configuration or customisation costs in a cloud computing arrangement

Where configuration or customisation is considered a distinct (i.e. separately identifiable service from the subsequent access to the cloud software, the costs are expensed when the services are received. These costs will only be capitalised when the Authority has complete control over the configuration and customisation code as required to meet the definition of intangible assets.

Where the configuration or customisation is not a distinct service from the Authority's right to access the software, the costs are expensed over the period of access on a straight-line basis. A prepayment asset is recognised when the payment is made upfront.

Audit fees

(1) Total audit fees quoted by the Queensland Audit Office relating to the external audit of the 2022-23 financial statements are estimated to be \$37,058 (2021-22: \$29,200). This amount includes an Actuary Peer Review component of \$7,128.

Insurance premiums - QGIF

(2) The Authority's risks are insured through the Queensland Government Insurance Fund and premiums are paid on a risk assessment basis.

B2-3 IMPAIRMENT (REVERSALS)/LOSSES

	2023	2022
	\$'000	\$'000
Trade receivables	<u>(497)</u>	<u>45</u>

Accounting policy - Impairment

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

B2-4 DEPRECIATION AND AMORTISATION

	2023	2022
	\$'000	\$'000
Depreciation - property, plant and equipment	206	199
Depreciation - right-of-use assets	376	375
Amortisation - intangibles	1,136	820
Total	1,718	1,394

Building and Construction 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	2022
	\$'000	\$'000
Cash at bank	28,639	22,064
Queensland Treasury Corporation (QTC)		
Deposits at call	11,000	11,000
Total	39,639	33,064

Accounting policy - Cash and cash equivalents

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

C2 RECEIVABLES

	2023	2022
	\$'000	\$'000
Current		
Trade debtors	22,561	21,314
Less: Loss allowance	(70)	(588)
	22,491	20,725
Accrued revenue	142	24
GST input tax credits receivable	8	14
	150	38
Other debtors	225	1,467
Total current receivables	22,866	22,231
Non-current		
Trade debtors ⁽¹⁾	10,932	11,017
Total	33,798	33,248

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 time of project notification. An instalment arrangement may be approved to applicants in accordance with Section 82 of the *Building and Construction Industry (Portable Long Service Leave) Act 1991*. Trade debtors are presented as current assets unless collection is not expected for more than 12 months after reporting date.

Other debtors generally arise from the Authority acting on a fee for service basis for other agencies. Income for providing these services is in accordance with agency agreements. Terms are a maximum of one month, no interest is charged, no security is obtained and no loss allowance is provided for.

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

⁽¹⁾ The non-current debtors figure represents the discounted present value of instalment arrangements allowed under Section 82 of the *Building and Construction Industry and (Portable Long Service Leave) Act 1991*.

Building and Construction Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2023

C3 INVESTMENTS

	2023	2022
	\$'000	\$'000
QIC - Long Term Diversified Fund	756,794	637,172
QIC - Diversified Australian Equities Fund	175,210	179,164
QIC - International Equities Fund	178,753	192,258
QIC - Short Term Income Fund	72,594	60,552
QIC - Cash Enhanced Fund	109,210	64,400
Total	1,292,561	1,133,546

Accounting policy - Investments

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

C4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE

C4-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	2023	2022
	\$'000	\$'000
Plant and equipment at cost	2,829	2,764
Less: Accumulated depreciation	(1,752)	(1,546)
Carrying amount at 30 June	1,077	1,218

Represented by movements in carrying amount:

Carrying amount at 1 July	1,218	1,376
Acquisitions (including upgrades)	66	41
Depreciation expense	(207)	(199)
Carrying amount at 30 June	1,077	1,218

C4-2 RECOGNITION AND ACQUISITION

Accounting policy - Recognition

Basis of capitalisation and recognition thresholds

The Authority holds no property. Plant and equipment with a cost or other value equal to or in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition.

Items with a lesser value are expensed in the year of acquisition.

Expenditure on plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the Authority. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Accounting policy - Cost of acquisition

Historical cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Historical cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use.

C4-3 MEASUREMENT USING HISTORICAL COST

Accounting policy

Plant and equipment is measured at historical cost in accordance with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts for such plant and equipment is not materially different from their fair value.

Building and Construction Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2023

C4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C4-4 DEPRECIATION EXPENSE

Plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less any estimated residual value, progressively over its estimated useful life to the Authority.

Key Judgement: Straight line depreciation is used reflecting the progressive, and even consumption of future economic benefits over their useful life to the Authority.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised, in accordance with the Authority's threshold limits, and the new depreciable amount is depreciated over the remaining useful life of the asset to the Authority.

Assets under construction (work-in-progress) are not depreciated until construction is complete and the asset is put to use or is ready for its intended use, whichever is the earlier. These assets are then reclassified to the relevant class within property, plant and equipment.

For the Authority's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

Depreciation Rates

Key Estimates: For each class of depreciable asset the following depreciation rates are used:

Property, plant and equipment	Useful life
Computer equipment	5 years
Office equipment	5 years
Tenancy fit out	10 years
Office accommodation	15 years*

* The Authority's office accommodation lease has a fifteen year term which includes the renewal option of an additional five years.

C4-5 IMPAIRMENT

Accounting policy

Indicators of impairment and determining recoverable amount

All property, plant and equipment assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Authority determines the asset's recoverable amount under AASB 136 *Impairment of Assets*. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

Recognising impairment losses

For assets measured at cost, an impairment loss is recognised immediately in the statement of comprehensive income.

Reversal of impairment losses

For assets measured at cost, impairment losses are reversed through income.

Building and Construction Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2023

C5 INTANGIBLES AND AMORTISATION EXPENSE

C5-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	2023 \$'000	2022 \$'000
Software	8,384	8,228
Less: Accumulated amortisation	(5,152)	(4,016)
Internally generated software work-in-progress	544	245
Carrying amount at 30 June	3,776	4,457

Represented by movements in carrying amount:

Carrying amount at 1 July	4,457	3,780
Acquisitions (including work-in-progress)	455	1,496
Amortisation expense	(1,136)	(820)
Carrying amount at 30 June	3,776	4,457

C5-2 RECOGNITION AND MEASUREMENT

Accounting policy

At 30 June the Authority has recorded internally generated software work-in-progress with a carrying amount of \$0.54 million. It is anticipated this software will be commissioned and amortised during the 2023-24 financial year in accordance with the following accounting policies.

Intangible assets of the Authority comprise internally generated software which meet the definition of intangible assets. Intangible assets with a historical cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Any training costs are expensed as incurred.

There is no active market for any of the Authority's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation.

Expenditure on research activities relating to internally generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the internal development of computer software are capitalised and amortised under the amortisation policy below.

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

Where configuration or customisation is considered a distinct (i.e. separately identifiable) service from the subsequent access to the cloud software, the costs are expensed when the services are received. These costs will only be capitalised when the Authority has complete control over the configuration and customisation code as required to meet the definition of intangible assets.

Where the configuration or customisation is not a distinct service from the Authority's right to access the software, the costs are expensed over the period of access on a straight-line basis. A prepayment asset is recognised when the payment is made upfront.

C5-3 AMORTISATION EXPENSE

Accounting policy

All intangible assets of the Authority have finite useful lives and are amortised on a straight line basis over the estimated useful life to the Authority. Straight line amortisation is used reflecting the expected consumption of economic benefits on a progressive basis over the intangible's useful life. The residual value of the Authority's intangible assets is zero.

Useful life

Key estimate: For each class of intangible asset the following useful lives are used:

Intangible asset	Useful life
Software purchased	5 years
Software internally generated	5 years

Building and Construction Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2023

C5 INTANGIBLES AND AMORTISATION EXPENSE (continued)

C5-4 IMPAIRMENT

Accounting policy

All intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Authority determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by the Authority, including discontinuing the use of the software. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value-in-use.

C6 PAYABLES

	2023	2022
	\$'000	\$'000
Trade creditors	6,690	5,408
Accrued charges	1,649	2,137
Total	8,339	7,545

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

C7 PROVISION FOR EMPLOYEE BENEFITS

	2023	2022
	\$'000	\$'000
Current		
Accrued annual leave	938	781
Provision for long service leave	1,014	781
Total	1,952	1,562
Movement in current long service leave provision:		
Balance at 1 July	781	592
Additional provision recognised	544	361
Reductions in provision from payments	(311)	(172)
Balance at 30 June	1,014	781
Non-current		
Provision for long service leave	150	121

Accounting policy - Long service leave

Long service leave entitlements payable are assessed at each payroll period having regard to current employee remuneration rates, employment related on-costs and other factors including accumulated years of employment and actual amounts paid to employees for long service leave. Current benefits represent those that the Authority does not have an unconditional right to defer settlement for at least 12 months.

Building and Construction Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2023

C8 PROVISION FOR SCHEME BENEFITS

	2023 \$'000	2022 \$'000
Current		
Provision for Scheme benefits expected to be settled within 12 months	138,600	141,600
Provision for Scheme benefits expected to be settled after 12 months	522,900	575,800
Total *	661,500	717,400
Non-current		
Provision for Scheme benefits	220,200	263,700
Total	881,700	981,100
Movement in provisions		
Balance at 1 July	981,100	1,004,700
Additional provision recognised	19,781	69,348
Reductions in provisions from payments	(119,181)	(92,948)
Balance at 30 June	881,700	981,100

Accounting policy - Provisions

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

Payments for long service leave claims are assessed and calculated in accordance with the *Building and Construction Industry (Portable Long Service Leave) Act 1991* and *Regulations*.

Scheme eligible members as at 30 June 2023 were 348,374 (2021-22: 319,020).

* The total current provision of \$661.5 million (2021-22: \$717.4 million) represents the value for which the Authority does not have an unconditional right to defer settlement for at least 12 months. The Authority expects to pay \$138.6 million (2021-22: \$141.6 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: Provisions

The long service leave liability of the Scheme was determined via actuarial assessment as required by the *Building and Construction Industry (Portable Long Service Leave) Act 1991* at intervals of at least every two years to investigate the sufficiency of the Authority's funds and the adequacy of the levy rate. 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 actuarial assumptions used were:

- The long-term investment return of 6.7% per annum net of management fees (2021-22: 5.0% per annum).
- The rate of wage increase of 2.4% per annum (2021-22: 2.5% per annum).
- The average weekly wage rate for long service leave claims of \$1,599 (2021-22: \$1,572). A capped rate of \$2,040 per week applies to all claims from 1 July 2022 (2021-22: \$1,980).
- The expenses of administering the Scheme of \$17.0M based on the 2022-23 annual administration budget values (2021-22: \$9.8M).
- Workers are defined as active if they have earned service day credits within the financial year ended 30 June 2022 or had a registration date after 30 June 2022. Workers are defined as inactive if they have not earned any service day credits within the same period.
- Current active workers accrue 165 days service credits per annum and new workers 75 days service credits per annum in their first year.
- Loading for unreported service of 2.5% on the total Scheme liabilities (2021-22: 5.0%).
- The provision has been discounted using a rate of 6.7% (2021-22: 5.0%) reflecting the long-term rate of return on the Authority's assets to determine the present value.

Employers are required to submit annual returns for eligible workers at the end of each financial year. Collation and processing of employer information is provided to the Actuary in January each year.

Building and Construction Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2023

C9 LEASES

C9-1 LEASES AS LESSEE

Right-of-use assets

	2023	2022
	\$'000	\$'000
Office accommodation		
Opening balances at 1 July	4,135	4,511
Depreciation charge	(376)	(376)
Closing balance at 30 June	3,759	4,135

	2023	2022
	\$'000	\$'000
Lease Liabilities		
Current		
Lease liabilities	387	361
Non-current		
Lease liabilities	4,724	5,111
Total	5,111	5,472

Accounting policy - Leases as lessee

The Authority has initially recognised its right-of-use assets at cost, consisting of the initial amount of the associated lease liability, plus an estimate of costs to be incurred in making good the underlying asset to the condition required by the terms and conditions of the leases, less any existing lease incentives and lease smoothing (straight-lining) liabilities. The right-of-use asset gives rise to a depreciation expense and is subject to impairment.

The element of lease payment that represents the interest portion is recognised as an expense at Note B2-2.

When measuring the lease liability, the Authority uses its incremental borrowing rate as the discount rate where the interest rate implicit in the leases cannot be readily determined, which is the case for the Authority's leases. To determine the incremental borrowing rate, the Authority uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

Disclosures - Leases as lessee

(i) Office accommodation

The office accommodation lease has a fifteen year term ending on 3 May 2033. This term includes the renewal option of an additional five years as it is reasonably certain that QLeave will exercise that option. From 2019-20 onward, these leases have been brought on as right-of-use assets and lease liabilities per above.

(ii) Amounts recognised in profit or loss

		2023	2022
		\$'000	\$'000
Interest expense on office accommodation lease liabilities	B2-2	134	143
Depreciation of right-of-use assets		376	376
		510	519

(iii) Payments for leases

		2023	2022
		\$'000	\$'000
		361	336

Building and Construction Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2023

SECTION 4

NOTES ABOUT RISK AND OTHER ACCOUNTING UNCERTAINTIES

D1 FAIR VALUE MEASUREMENT

D1-1 ACCOUNTING POLICIES AND INPUTS FOR FAIR VALUES

What is fair value?

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

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

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the Authority include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the Authority's assets/liabilities, internal records of recent construction costs (and/or estimates of such costs), 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

Details of individual assets and liabilities measured under each category of fair value are set out in the tables at Note D1-3.

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.

There were no transfers of assets between fair value hierarchy levels during the period.

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 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial Assets								
Investments								
QIC Long Term Diversified Fund	-	-	756,794	637,172	-	-	756,794	637,172
QIC Diversified Australian Equities Fund	-	-	175,210	179,164	-	-	175,210	179,164
QIC International Equities Fund	-	-	178,753	192,258	-	-	178,753	192,258
QIC Short Term Income Fund	-	-	72,594	60,552	-	-	72,594	60,552
QIC Cash Enhanced Fund	-	-	109,210	64,400	-	-	109,210	64,400
Total	-	-	1,292,561	1,133,546	-	-	1,292,561	1,133,546

Building and Construction 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 Long Term Diversified Fund		
Carrying amount at 1 July	637,172	669,244
Plus		
Earnings	60,243	37,617
Contributions	63,750	10,000
Distributions Reinvested	12,118	18,508
Less		
Distributions	(12,118)	(18,508)
Redemptions	-	-
Redemptions - Fees	(4,371)	(4,455)
Carrying amount at 30 June	756,794	637,172
QIC Diversified Australian Equities Fund		
Carrying amount at 1 July	179,164	194,403
Plus		
Earnings	22,829	13,944
Contributions	-	-
Distributions Reinvested	10,187	12,893
Less		
Distributions	(10,187)	(12,893)
Redemptions	(25,500)	-
Redemptions - Fees	(1,283)	(1,295)
Carrying amount at 30 June	175,210	179,164
QIC International Equities Fund		
Carrying amount at 1 July	192,258	202,865
Plus		
Earnings	38,848	9,222
Contributions	-	-
Distributions Reinvested	22,133	13,797
Less		
Distributions	(22,133)	(13,797)
Redemptions	(51,000)	-
Redemptions - Fees	(1,353)	(1,385)
Carrying amount at 30 June	178,753	192,258
QIC Short Term Income Fund		
Carrying amount at 1 July	60,552	62,301
Plus		
Earnings	2,470	1,339
Contributions	10,002	-
Distributions Reinvested	2,088	2,749
Less		
Distributions	(2,088)	(2,749)
Redemptions	-	-
Redemptions - Fees	(430)	(410)
Carrying amount at 30 June	72,594	60,552
QIC Cash Enhanced Fund		
Carrying amount at 1 July	64,400	12,383
Plus		
Earnings	2,502	(137)
Contributions	42,755	52,324
Distributions Reinvested	1,724	16
Less		
Distributions	(1,724)	(16)
Redemptions	-	-
Redemptions - Fees	(447)	(169)
Carrying amount at 30 June	109,210	64,400

Building and Construction 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 (continued)

	2023 \$'000	2022 \$'000																														
QIC Diversified Fixed Interest Fund	<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 60%;">Carrying amount at 1 July</td><td style="text-align: right;">-</td><td style="text-align: right;">31,122</td></tr> <tr><td>Plus</td><td></td><td></td></tr> <tr><td> Earnings</td><td style="text-align: right;">-</td><td style="text-align: right;">(3,583)</td></tr> <tr><td> Contributions</td><td style="text-align: right;">-</td><td style="text-align: right;">25,000</td></tr> <tr><td> Distributions Reinvested</td><td style="text-align: right;">-</td><td style="text-align: right;">663</td></tr> <tr><td>Less</td><td></td><td></td></tr> <tr><td> Distributions</td><td style="text-align: right;">-</td><td style="text-align: right;">(663)</td></tr> <tr><td> Redemptions</td><td style="text-align: right;">-</td><td style="text-align: right;">(52,324)</td></tr> <tr><td> Redemptions - Fees</td><td style="text-align: right;">-</td><td style="text-align: right;">(215)</td></tr> <tr><td>Carrying amount at 30 June</td><td style="text-align: right;">-</td><td style="text-align: right;">-</td></tr> </table>	Carrying amount at 1 July	-	31,122	Plus			Earnings	-	(3,583)	Contributions	-	25,000	Distributions Reinvested	-	663	Less			Distributions	-	(663)	Redemptions	-	(52,324)	Redemptions - Fees	-	(215)	Carrying amount at 30 June	-	-	
Carrying amount at 1 July	-	31,122																														
Plus																																
Earnings	-	(3,583)																														
Contributions	-	25,000																														
Distributions Reinvested	-	663																														
Less																																
Distributions	-	(663)																														
Redemptions	-	(52,324)																														
Redemptions - Fees	-	(215)																														
Carrying amount at 30 June	-	-																														
Total Carrying Amount at 30 June	1,292,561	1,133,546																														

D2 FINANCIAL RISK DISCLOSURES

D2-1 FINANCIAL INSTRUMENT CATEGORIES

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

Category	Note	2023 \$'000	2022 \$'000
Financial assets			
Cash and cash equivalents	C1	39,639	33,064
Financial assets measured at amortised cost:			
Receivables	C2	33,798	33,248
Financial assets at fair value through profit or loss:			
QIC Long Term Diversified Fund		756,794	637,172
QIC Diversified Australian Equities Fund		175,210	179,164
QIC International Equities Fund		178,753	192,258
QIC Short Term Income Fund		72,594	60,552
QIC Cash Enhanced Fund		109,210	64,400
Total financial assets	C3	1,292,561	1,133,546
Financial liabilities			
Financial liabilities measured at amortised cost:			
Payables	C6	8,339	7,545
Total financial liabilities		8,339	7,545

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

Building and Construction 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

(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 C6) and payments for long service leave claims (Note C8).
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 of future cash flows of a 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) subject to variable interest rates.</p>

(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	<p>The Authority manages liquidity risk through the use of a <i>liquidity management strategy</i>. This strategy aims to reduce exposure to liquidity risk by ensuring the Authority has sufficient funds available to meet employee, supplier and scheme recipient obligations as they fall due.</p> <p>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.</p>
Market risk	<p>Price sensitivity analysis</p> <p>Interest rate sensitivity analysis</p>	<p>To manage the risk of a decline in portfolio value due to adverse movements in market price the QIC investment structure remains diversified and includes three capital funds and two liquidity funds.</p> <p>The Authority does not undertake any hedging in relation to interest risk.</p> <p>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.</p>

Building and Construction Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2023

D2 FINANCIAL RISK DISCLOSURES (continued)

D2-3 CREDIT RISK DISCLOSURES

Credit risk management practices

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

Category	Note	2023 \$'000	2022 \$'000
Financial assets			
Trade receivables	C2	<u>33,798</u>	<u>33,248</u>

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security and there are no other credit enhancements relating to the Authority's receivables.

D2-4 LIQUIDITY RISK - CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES

The following table sets out the liquidity risk of financial liabilities held by the Authority. They represent the contractual maturity of financial liabilities, calculated on undiscounted cash flows relating to the liabilities at reporting date.

Financial liabilities	2023 Total \$'000	Contractual maturity			2022 Total \$'000	Contractual maturity		
	\$'000	<1 year \$'000	1-5 years \$'000	>5 years \$'000	\$'000	<1 year \$'000	1-5 years \$'000	>5 years \$'000
Payables	<u>8,339</u>	8,339	-	-	<u>7,545</u>	7,545	-	-

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 \$129.3 million (2021-22: \$113.4 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 - Long Term Diversified Fund	756,794	(75,679)	(75,679)	75,679	75,679
QIC - Diversified Australian Equities Fund	175,210	(17,521)	(17,521)	17,521	17,521
QIC - International Equities Fund	178,753	(17,875)	(17,875)	17,875	17,875
QIC - Short Term Income Fund	72,594	(7,259)	(7,259)	7,259	7,259
QIC - Cash Enhanced Fund	109,210	(10,921)	(10,921)	10,921	10,921
Potential impact	1,292,561	(129,255)	(129,255)	129,255	129,255

+ / - 10%	Carrying amount \$'000	2022 Market rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial instruments					
QIC - Long Term Diversified Fund	637,172	(63,717)	(63,717)	63,717	63,717
QIC - Diversified Australian Equities Fund	179,164	(17,916)	(17,916)	17,916	17,916
QIC - International Equities Fund	192,258	(19,226)	(19,226)	19,226	19,226
QIC - Short Term Income Fund	60,552	(6,055)	(6,055)	6,055	6,055
QIC - Cash Enhanced Fund	64,400	(6,440)	(6,440)	6,440	6,440
Potential impact	1,133,546	(113,354)	(113,354)	113,354	113,354

Building and Construction 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 (continued)

The following interest rate sensitivity analysis reflects the outcome to profit and loss if interest rates would change by +/- 1% from year end rates applicable to the Authority's cash assets. These fluctuations in interest rates are considered appropriate given the current economic and market climate. With all other variables held constant, the Authority would have a surplus/(deficit) and equity increase/(decrease) of \$396,000 (2021-22: \$331,000) if there was a +/- 1% fluctuation in investment markets.

+ / - 1%	Carrying amount \$'000	2023 Interest rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial instruments					
Cash and cash equivalents	39,639	(396)	(396)	396	396
Potential impact		(396)	(396)	396	396

+ / - 1%	Carrying amount \$'000	2022 Interest rate risk			
		- Sensitivity		+ Sensitivity	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial instruments					
Cash and cash equivalents	33,064	(331)	(331)	331	331
Potential impact		(331)	(331)	331	331

D3 CONTINGENCIES

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

D4 COMMITMENTS

Capital expenditure commitments

Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2023 \$'000	2022 \$'000
<i>Intangibles</i>		
Not later than 1 year	-	82
Total	-	82

D5 EVENTS OCCURRING AFTER THE REPORTING DATE

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

D6 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.

Building and Construction 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 Board Director during the year ended 30 June 2023.

Ms Peta Irvine	Chair
Ms Teresa Hamilton	Deputy Chair
Mr Stephen Baker (expired 4 September 2022)	Worker Representative (AWU)
Ms Penny Cornah	Employer Representative (MPAQ)
Ms Sue-Ann Fresneda	Employer Representative (QMBA)
Mr Damian Long	Employer Representative (CCF Qld)
Mr Kane Lowth (appointed 10 November 2022)	Worker Representative (CFMEU)
Mr Arturo Menon (expired 4 September 2022)	Worker Representative (BERT)
Mr Peter Ong	Worker Representative (ETU)
Mr Mark Raguse (appointed 10 November 2022)	Worker Representative (AWU)

KMP remuneration policies - Chair and Directors

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.

Annual remuneration expenses for the Chair and Directors is intended to include all meetings, with no additional payments for Committee meetings and comprise the following components:

Short term employee expenses including: annual salary amounts paid in twelve equal instalments or as appropriate to align with that part of the year representing their KMP occupation.

KMP remuneration policies - General Manager

Annual remuneration expenses for the General Manager comprise the following components:

Short term employee expenses include salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position;

Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.

Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

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.

Building and Construction 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)

2022-23

Position	Short term employee expenses	Long term employee expenses	Post-employment expenses	Total
	Monetary expenses \$'000	\$'000	\$'000	\$'000
Mr Brett Bassett - General Manager	216	6	25	247
Ms Peta Irvine	5	-	-	5
Ms Teresa Hamilton	4	-	-	4
Mr Stephen Baker (expired 4 September 2022)	1	-	-	1
Ms Penny Cornah	4	-	-	4
Ms Sue-Ann Fresneda	3	-	-	3
Mr Damian Long	4	-	-	4
Mr Kane Lowth (appointed 10 November 2022)	3	-	-	3
Mr Arturo Menon (expired 4 September 2022)	1	-	-	1
Mr Peter Ong	4	-	-	4
Mr Mark Raguse (appointed 10 November 2022)	3	-	-	3
Total Remuneration	248	6	25	279

2021-22

Position	Short term employee expenses	Long term employee expenses	Post-employment expenses	Total
	Monetary expenses \$'000	\$'000	\$'000	\$'000
Mr Brett Bassett - General Manager (appointed 11 October 2021)	166	4	17	187
Ms Helen Sharpley - Acting General Manager (resigned 8 October 2021)	109	2	7	118
Ms Peta Irvine	6	-	-	6
Ms Teresa Hamilton (appointed 7 April 2022)	1	-	-	1
Ms Melanie Woodward (resigned 31 August 2021)	1	-	-	1
Mr Stephen Baker	5	-	-	5
Ms Penny Cornah	5	-	-	5
Ms Sue-Ann Fresneda	5	-	-	5
Mr Damian Long	5	-	-	5
Mr Arturo Menon	5	-	-	5
Mr Peter Ong	5	-	-	5
Total Remuneration	310	6	24	340

Board attendance fees were paid directly to Ms P Irvine, Ms M Woodward, Mr D Long and Ms T Hamilton. Board attendance fees were paid to the nominated organisation for Ms P Cornah (Master Plumbers Association of Queensland), Ms S Fresneda (Master Builders Association of Queensland), Mr Damian Long (Civil Contractors Federation Queensland), Mr S Baker (Australian Workers Union), Mr K Lowth (Construction, Forestry, Mining and Energy Union), Mr P Ong (Electrical Trades Union), Mr A Menon (Building Employees Redundancy Trust) and Mr M Raguse (Australian Workers Union).

Performance Payments

No KMP remuneration packages provide for performance or bonus payments.

Building and Construction Industry (Portable Long Service Leave) Authority

Notes to the Financial Statements

for the year ended 30 June 2023

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 transactions 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 *Building and Construction Industry (Portable Long Service Leave) Act 1991* and the *Work Health and Safety Act 2011* in respect of payment of levies for their own business undertakings in building and construction 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 applied for the first time

No Australian Accounting Standards or interpretations have been applied to the Authority for the first time in 2022-23.

Accounting standards early adopted

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

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.

**BUILDING AND CONSTRUCTION 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 Building and Construction 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

24 August 2023



P Irvine
Chair

24 August 2023

INDEPENDENT AUDITOR'S REPORT

To the Board of the Building and Construction Industry (Portable Long Service Leave) Authority

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Building and Construction 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

24 August 2023

Martin Luwinga
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

APPENDIX 1: COMPLIANCE CHECKLIST

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	ARRs – section 9.1	ii
	Glossary		68, 69
	Public availability	ARRs – section 9.2	71
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	71
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	Inside front cover
	Information Licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Inside front cover
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 to 5
	Agency service areas and service standards	ARRs – section 11.3	Not applicable*
Financial performance	Summary of financial performance	ARRs – section 12.1	12 to 14
Governance – management and structure	Organisational structure	ARRs – section 13.1	18, 26
	Executive management	ARRs – section 13.2	26 to 28
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	71
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	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	1, 4, 5, 16, 20, 21, 25
	Audit committee	ARRs – section 14.2	20, 21
	Internal audit	ARRs – section 14.3	24, 25
	External scrutiny	ARRs – section 14.4	15
	Information systems and recordkeeping	ARRs – section 14.5	16, 17, 21
	Information Security attestation	ARRs – section 14.6	16
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	30, 31
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	30
Open Data	Statement advising publication of information	ARRs – section 16	71
	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 30
		FPMS – sections 38, 39 and 46	
		ARRs – section 17.1	
Independent Auditor's Report	FAA – section 62	Financial Statements section 31 to 33	
	FPMS – section 46		
	ARRs – section 17.2		

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

AS/NZS ISO	Australian and New Zealand International Standard Organisation
ATO	Australian Taxation Office
AWU	Australian Workers' Union
BA	Bachelor of Arts
BBus	Bachelor of Business
BCI	Building and Construction Industry (Portable Long Service Leave) Authority
BEng	Bachelor of Engineering
BERT	Building Employees' Redundancy Trust
CCF Qld	Civil Contractors Federation Queensland Limited
CCI	Contract Cleaning Industry (Portable Long Service Leave) Authority
Cert IV FrontlineMgt	Certificate IV in Frontline Management
Cert IV TrngAssmnt	Certificate IV in Training and Assessment
CFMEU	Construction, Forestry, Maritime, Mining and Energy Union
CIP	Construction Income Protection
CRM	Customer Relationship Management
CSI	Community Services Industry (Portable Long Service Leave) Authority
CSQ	Construction Skills Queensland
DFV	domestic and family violence
DipEventMgt	Diploma in Event Management
DipFinPlan	Diploma of Financial Planning
DipHosMgt	Diploma of Hospitality Management
DipHR	Diploma of Human Resources
DipNSL	Diploma of Neuroscience of Leadership
DipSuper	Diploma of Superannuation
ELT	Executive Leadership Team
ERP	Enterprise Resource Planning
ETU	Electrical Trades Union
EVP	Employer Value Proposition
FBT	Fringe Benefits Tax
FTE	full-time equivalent
GAICD	Graduate of the Australian Institute of Company Directors Course
GradDip Ed	Graduate Diploma of Education
GST	Goods and Services Tax



Hons	Honours
ICT	Information Communication and Technology
i.e.	that is
IFRIC	International Financial Reporting Interpretations Committee
IP	Information Privacy
KMP	Key Management Personnel
LLB	Bachelor of Laws
m	million/s
MAICD	Member of the Australian Institute of Company Directors
MBA	Master of Business Administration
MP	Member of Parliament
MPAQ	Master Plumbers' Association of Queensland
NRA	National Reciprocal Agreement
PLSL	portable long service leave
QAO	Queensland Audit Office
QIC	Queensland Investment Corporation
QGIF	Queensland Government Insurance Fund
Qld	Queensland
QMBA	Master Builders' Association Queensland
QTC	Queensland Treasury Corporation
RAP	Reconciliation Action Plan
RTI	<i>Right to Information Act 2009</i>
SLT	Senior Leadership Team
TAFE	Technical and Further Education



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INTERSTATE SCHEMES

VICTORIA

LeavePlus

Level 6, 478 Albert Street
East Melbourne VIC 3002
Telephone: 1300 264 683
Email: info@leaveplus.com.au
www.leaveplus.com.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

SOUTH AUSTRALIA

Portable Long Service Leave

155 Fullarton Road
Rose Park SA 5067
Telephone: 08 8332 6111
Email: hello@portableleave.org.au
www.portableleave.org.au

AUSTRALIAN CAPITAL TERRITORY

ACT Leave

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

TASMANIA

TasBuild Ltd

Level 3, 6 Bayfield Street
Rosny Park TAS 7018
Telephone: 03 6294 0807
Email: secretary@tasbuild.com.au
www.tasbuild.com.au

WESTERN AUSTRALIA

My Leave

Level 3, 50 Colin Street
West Perth WA 6005
Telephone: 08 9476 5400 or 1800 198 136
Email: hi@myleave.wa.gov.au
www.myleave.wa.gov.au

NORTHERN TERRITORY

NT Build

32-33/12 Charlton Court
Woolner NT 0820
Telephone: 1300 795 855
Email: info@ntbuild.com.au
www.ntbuild.com.au

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

PO Box 348
ARCHERFIELD BC QLD 4108
1300 QLEAVE
yoursay@qleave.qld.gov.au

GOVERNMENT BODY

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



INTERPRETER SERVICE STATEMENT

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report you can contact us on 07 3018 0333 and we will arrange an interpreter to effectively communicate the report to you.





PORTABLE
LONG SERVICE
LEAVE

Building and Construction Industry (Portable Long Service Leave) Authority

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