

2019- 2020

ANNUAL REPORT

**Tasmanian Building and
Construction Industry
Training Board**



Funding quality training for the industry



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FACILITATION OF **1,587** TRAINING COURSES
FOR **8,479** PARTICIPANTS, RESULTING IN
143,815 CONTACT HOURS OF TRAINING.

Direct applications for funding for training from companies reached **\$2.1 million.**

Promotion of careers in the building and construction industry to 2240 school students at 56 schools throughout the state through funding provided to Master Builders Tasmania for the Building and Construction Pathways Program and the Housing Industry Association youthBUILD Program.

Working with Skills Tasmania and other partners on the City Deal – Building Launceston’s Apprenticeship Pipeline Project.

A total of 26 students and jobseekers have commenced training.

Convening of an Industry Forum in accordance with Section 8A of the *Building and Construction Industry Training Fund Act*.

Continuation of a Memorandum of Understanding with St John for the provision of First Aid courses to the industry.

Working with the Department of Education regarding the promotion of construction careers in schools.

Membership participation in the Australian Forum of Construction Industry Training Funds (AFCITF).



INDUSTRY/GOVERNMENT PARTNERSHIP ARRANGEMENTS

KEY PROJECTS OVERVIEW

Collaborative leadership of COVID-19 Industry Action Plan with Skills Tasmania	The TBCITB has jointly-led the development of a B&C Industry Action Plan in response to issues raised through the Premier’s COVID-19 Roundtable.
National Construction Training Package	The TBCITB has facilitated industry feedback and contributed to the redevelopment of the National Construction Training Package.
Launceston Apprenticeship Pipeline Project & North West Coast Building Futures Project	These projects aim to grow the supply of building and construction trade apprentices over 2-3 years by taking advantage of the opportunities that the Launceston City Deal and UTAS redevelopment create across the north and north west of the state.
TasTAFE Trades and Water Centre of Excellence – Major Grant	The TBCITB has committed funding of \$250,000 to the TasTAFE Trades and Water Centre of Excellence, for training resources and the establishment of online remote learning capability.
TasTAFE Trades and Water Centre of Excellence – BIM capability	The new Centre of Excellence will be designed to meet the growing demand for skilled workers across plumbing and other trades. The Board is providing advice about, and in-kind support for, the building information modelling and training aspects of the project.
Master Builders - Pathways Program	The Board supports this educational program to promote the building and construction industry to secondary school students throughout Tasmania.
HIA - YouthBuild Program	Based on strong partnerships between schools, industry, business and local communities, the TBCITB supports this ‘work at school’ program to provide new opportunities for young people to enter the industry via real work programs undertaken at school.
Heritage Building and Construction Skills Program	The Board has been funding various projects to promote and develop heritage building and construction skills including course development, training, and a dedicated website.
Building Information Modelling - BIMHub	BIMHub is a joint initiative between the Australian Institute of Building and the TBCITB to encourage development of BIM capability in Tasmania through awareness, education, and policy development.
Civil Construction Workforce Development Plan	The Board is working with the Civil Contractors Federation to support the implementation of a workforce development plan for the civil construction sector.





MESSAGE FROM THE CHAIRPERSON

I am pleased to present the TBCITB's 2019-2020 Annual Report.

This report reviews the significant activity of the Board over the past twelve months, and provides an overview of the 2020-2022 Strategic Plan.

In February 2020, the Board completed its next Strategic Plan, identifying four key focus areas:

- Promoting quality pathways to employment in the building and construction industry
- Supporting those in employment to develop their skills, obtain industry accreditation and pursue career opportunities
- Champion industry-wide initiatives that promote diversity, innovation and advancement in all areas
- Build clarity and strengthen our internal capacity to achieve our key functions with excellence

In early 2020 the Board engaged Timmins Ray and Associates to undertake a comprehensive Stakeholder Engagement Analysis, to ensure we fully understand the needs of industry and target our future communications effectively. We thank the individuals, businesses and industry associations who contributed time and expertise to that process; the Board's Strategic and Operational Plans are more responsive, comprehensive and industry-focused as a result.

The Tasmanian construction industry is one of many deeply impacted by COVID-19 and the Board responded by immediately allocating up to \$1million for initiatives to help businesses maintain employment levels, adapt systems and services to be COVID-safe, and for the rapid transition of training and development activities to online or flexible delivery. The Board's broader COVID-19 Strategy is detailed in this Report, and has continued to evolve with the changing economic and social situation. We are proud to have partnered closely with Skills Tasmania and the State Government throughout this challenging period to share information, resources and leadership of industry-specific activities.

The Board continues to provide advice to Government about policies which impact upon construction regulatory frameworks,

capital works and the industry more generally. As the principal advisor to the Minister for State Growth, the TBCITB listens to industry concerns, identifies strategic responses, and provides advice to the Minister on a regular basis. On behalf of the Board, I would like to thank Minister Rockliff for his support, and approval of the Board's Annual Training Plan.

The Board also maintains regular communication with the Minister for Building and Construction and I thank Minister Archer for her interest in our work.

The Board has embarked on a period of significant renewal, which will include renaming and rebranding, a comprehensive review of stakeholder engagement and communication channels, improvements to operational systems and greater visibility of the Board and our services across industry.

This is a busy and exciting time for the Board and I would like to acknowledge the enthusiasm and hard work of the TBCITB CEO, Dr Karin Mathison, and her staff team who support the Board's work and who are actively engaged in the current process of organisational renewal.

As I come to the conclusion of my term as Independent Chair of the TBCITB I am proud of the achievements of the Board over the past six years and the evolution of the organization in the best interests of the industry.

Just some of the highlights of my time on the board have included:

- The amendments to our legislation enabling us to address the broader scope of workforce development in line with industry feedback;
- Our contribution to the continuing national reform of VET in the best interest of the Tasmanian workforce;
- Our continuing support of apprentices, BIM, heritage skills and diversity in the industry;
- Nine successful years of leadership from former CEO Simon Cocker, until his retirement in October 2019;

- The recruitment and transition to our new CEO, Dr Karin Mathison, in November 2019, bringing a unique set of skills and experience to our work;
- The acknowledgement of Fred Lijauco's extensive service of more than 25 years with the Board;
- Our Covid-19 response alongside Skills Tasmania and the State Government;
- The continuing evolution of our governance framework including strategy development, risk management and continuous improvement of board practices and policy.

Above all, I have enjoyed being part of the TBCITB team with directors, CEOs, staff and stakeholders as we have worked towards our shared purpose for the benefit of the building and construction industry.

Thankyou to all directors, past and present, for sharing your significant expertise and experience. Congratulations to our CEO and staff for the excellent work achieved this year as we embark on the implementation of our new strategic plan.

I am confident that with the appointment of incoming Chair, Norm McIlfatrick, alongside the committed team in place, the TBCITB will continue to make a positive contribution to the building and construction industry and ultimately the broader Tasmanian community.

I will be following progress with great interest.



Tracy Matthews
Chairperson
TBCITB



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

It is with great pleasure that I report on an exciting year at the TBCITB.

The Board has finalised its 2020-2022 Strategic Plan, and our dedicated team of staff has embraced the opportunity to review, reset and reinvigorate the TBCITB's activity.

Since April 2020, we have undertaken a comprehensive process of consultation with industry, government and the community to develop a Stakeholder Engagement Strategy. We are most grateful to those individuals and organisations who provided feedback and recommendations as part of that process. As the peak organisation tasked with facilitating workforce development and training in the Tasmanian building and construction industry, it is imperative that we hear from and understand the needs of industry at all levels. The Board received many messages from key stakeholders in the first six months of 2020 and through the process of strategic planning reflected deeply on the reality of our position and our objectives.

Among other things, we heard that there is a need for greater strategic focus and transparency in our funding model and our project activities. We heard that some of our operational systems require updating and streamlining to improve accessibility and engagement. We heard that our staff are highly regarded by those with whom they interact, and many in industry would like us to raise our profile and be more visible. We heard that across industry there are pockets of uncertainty and confusion about who we are, the funding we administer and our broader role in workforce development. And, resoundingly, we heard that it is time for us to refresh our external image and contemporise our communications.

Consistent with our obligation under the Building and Construction Industry Training Fund Act 1990, the Board has articulated a clear long-term goal for the TBCITB:

To be the go-to organisation for facilitating building and construction industry workforce development in Tasmania.

Our 2020-2022 Strategic Plan is therefore unashamedly ambitious.

A new Communication Strategy is under development, responding to feedback about channels frequency and purpose of communication with the Board and our work. We have recruited an Industry Liaison Officer to promote the Board's initiatives directly to industry and to provide at-the-shoulder guidance around training and workforce development. This part-time position is based in Launceston but will operate statewide.

The Board's activity in the coming years will be focused on promoting pathways into industry careers, building workforce capacity through upskilling and multiskilling, and supporting initiatives that increase diversity and innovation in all sectors. To support the initial stages of this strategic re-focus, we have contracted two part-time Project Managers to oversee the development of frameworks to guide our project activity, training support and funding model.

Our ability to articulate and measure the impact of the TBCITB's work inevitably lies in our understanding of the economic and social context within which our industry is operating, and therefore the targets we set ourselves. One significant challenge is to accurately predict demand for labour in the Tasmanian building and construction industry, and in response develop strategies that are appropriately directed and timed.

In 2020 the Board engaged Deloitte Access Economics to develop a comprehensive Labour Market Analysis and accompanying modelling. This project will map the pipeline of building and construction activity in Tasmania against current labour market capacity, as well as forecasting future needs in residential, commercial, and civil sectors and across key trades. The data will be presented publicly through a contemporary dashboard-style application, which the TBCITB will maintain and update regularly. This is an exciting and important project for the Board with strong support from industry associations and government.

This Annual Report of course details the Board's response to the challenges of COVID-19, an unprecedented and significant crisis for the state and our industry. I am proud to report that our staff continued to manage TBCITB operations through this period, including relocation off-site at short notice, with no interruption to our service levels. It is this genuine commitment to supporting the people of the Tasmanian building and construction industry that unites and strengthens our staff group and our Board of Directors. As we rename, rebrand and relocate our operations in 2020/21, we will preserve that commitment in our work going forward.

I extend my heartfelt thanks to each member of our team for their dedicated service this year. I also acknowledge the significant contribution of those who left the organisation in 2019/20, including Dr Fred Lijauco after more than twenty-five years. I am grateful also to my predecessor Simon Cocker, our Board of Directors and outgoing Chairperson Tracy Matthews for their personal and professional support this year.

It is a privilege for me to have the opportunity to serve as the Board's Chief Executive Officer at this time. I trust this Annual Report conveys both the successes of the past year and the enthusiasm we have for the future, and I look forward to engaging with you as we progress.



Dr Karin Mathison
Chief Executive Officer

TBCITB FUNCTIONS

The Board is the principal adviser to the Minister on all matters relating to workforce development in the building and construction industry and, in particular, is to advise the Minister in relation to skill requirements for the building and construction industry and the training arrangements to meet those requirements

In addition, the Board has the following functions:

- To promote training, and training pathways, in the building and construction industry.
- To promote the Board, and its aims and activities, to the building and construction industry.
- To liaise with appropriate training organisations and other bodies.
- To advise on, and provide input into, the development of training, and training pathways, within the building and construction industry.
- To review and evaluate existing training, and training pathways, within the building and construction industry.
- To promote equality of access to training, and training pathways, within the building and construction industry.
- To promote productivity, career opportunities and work safety within the building and construction industry through training and workforce development planning and pathways.
- To facilitate access to employer-provided training in the building and construction industry.
- To facilitate the equitable distribution, amongst employers in the building and construction industry, of resources relating to employment-related training.
- To facilitate the training of builders to improve skills and knowledge within the building and construction industry.

GOVERNANCE

As per Section 5 of the *Building and Construction Industry Training Fund Act 1990*, the Minister appointed the following members:

- Ms Tracy Matthews (Chairperson)
- Ms Vonette Mead (Deputy Chairperson)
- Mr Ted Bell
- Mr Ian Johnston
- Ms Naomi Walsh
- Mr Michael Rogers
- Mr Ben Wilson
- Mrs Traycee Di Virgilio (appointed 1st July 2019)
- Ms Elizabeth Hepburn (appointed 16th September 2019)

BOARD ATTENDANCE

The Board met 5 times this year and held its annual general meeting in September 2019. Disclosure of interests and other provisions as outlined in the Act were adhered to. The Board's attendance record is as follows:

Board Member	Meetings Attended (Out of 5 Board Meetings including the Annual General Meeting)
Ms Tracy Matthews	5 out of 5
Ms Vonette Mead	5 out of 5
Mr Ted Bell	4 out of 5
Ms Naomi Walsh	5 out of 5
Mr Michael Rogers	3 out of 5
Mr Ian Johnston	5 out of 5
Mr Ben Wilson	5 out of 5
Mrs Traycee Di Virgilio (appointed 01/07/19)	5 out of 5
Ms Elizabeth Hepburn (appointed 16/09/19)	3 out of 3



The Board, clockwise from top left, Traycee Di Virgilio, Michael Rogers, Ian Johnston, Naomi Walsh, Ted Bell, Vonette Mead and Tracy Matthews. Absent: Ben Wilson, Elizabeth Hepburn.

3 YEAR GOAL

2020-2022

We are the go-to organisation for facilitating building and construction industry workforce development in Tasmania.

STRATEGIC PLAN 2020-2022

In February 2020 the TBCITB engaged directly with a number of key stakeholders to review our professional relationships and identify ways in which we can improve our communication and collaboration in future. We were able to take industry feedback directly to the Board for consideration in our 2020-2022 strategic planning and have continued to engage with industry and government as we develop a more detailed Stakeholder Engagement Strategy.

The Board has now articulated a major three year goal, and four key areas of strategic activity that will guide our work with industry over the next three years.

4 STRATEGIC ACTIVITIES

1

Promote quality pathways to employment by initiating and supporting programs that create sustainable employment opportunities in the Tasmanian construction industry.

2

Support those in employment to develop their skills, obtain industry accreditation and pursue career opportunities by funding high-quality training and professional development programs.

3

Champion industry-wide initiatives that promote diversity, innovation and advancement in all areas through research, promotion and stakeholder engagement.

4

Build clarity and strengthen our internal capacity to achieve our key functions with excellence.



2019 PUBLIC MEETING

In accordance with Section 8A of the Act, the Board convened a **public meeting in Hobart in October 2019** for interested members of the building and construction industry to consider issues that relate to the development of skills within the industry and to provide advice on those issues to the Board.

The purpose of the Public Meetings are to consult with the public and industry through structured, workshop style meetings with the objectives being to:

- consider issues that relate to the development of skills within the building and construction industry;
- discuss the process for the provision of advice to the Tasmanian Government on strategic industry training priorities; and
- provide advice on those issues to the Board.

A total of **53 people** attended the Public Meeting from a variety of stakeholder groups including TAFE, Employer Associations, Employee Associations, Registered Training Organisations, along with Board Members and staff of the TBCITB.

Participants in the meeting discussed what they considered to be the emerging training needs based on their own experience and presentations.

- Teacher/Trainer skill shortage
- Upgrade to Certificate IV in Training and Assessment (TAE)
- Mental Health Training
- Upskilling needed
- Mentoring
- Apprenticeship Retention

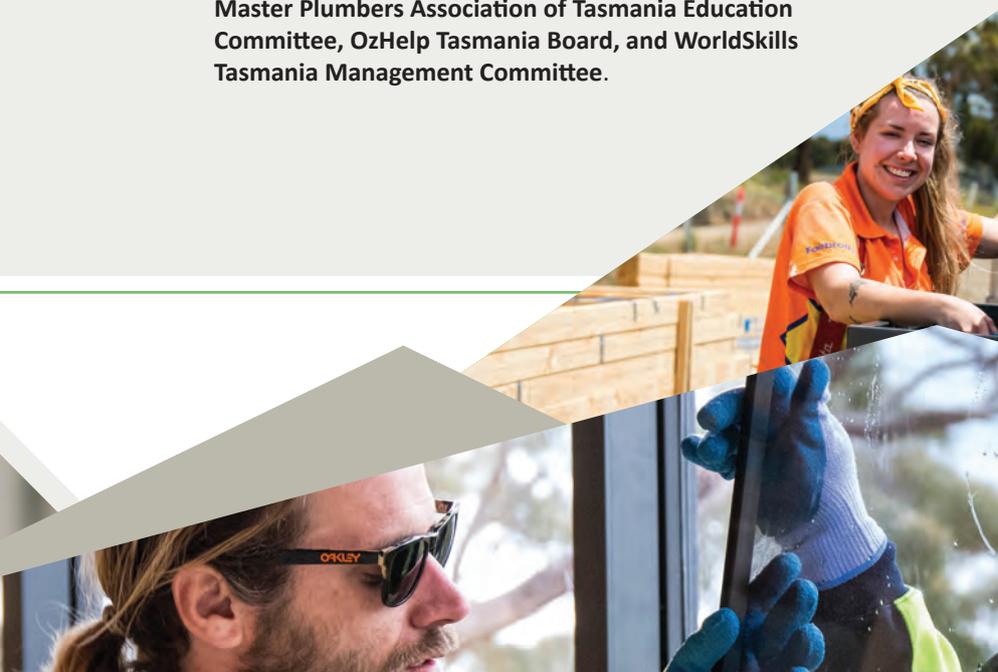
- Government Apprentice and Training Mandate
- BIM Implementation
- Contracts Training
- BIM Demonstration Projects
- Year 11-12 Students
- Accessing the experiences of year 11 and 12 students
- Pastoral Care
- Review post school pathways
- Partnerships with Training Providers

Due to restrictions arising from COVID-19, the Board's **biennial regional industry practitioner's workshops** were unfortunately cancelled, however practitioners and associations have been closely engaged with the Board's Stakeholder Engagement Strategy development and we look forward to rescheduling public events in 2020-21.

The Board will complete its Stakeholder Engagement Strategy in 2020, which will inform a comprehensive **Communications Strategy**. In the interim, the Board has shifted from a paper-based quarterly newsletter to a monthly online 'Training News', with easy links to relevant resources and application forms. We are also working closely with the firm managing our rebranding to **update our website and improve functionality**. Relevant elements of the Board's Communication Strategy will be shared with stakeholders for feedback prior to implementation.

The Board has devoted resources to updating its **industry database of building and construction practitioners**, significantly increasing the number of businesses and individuals we now reach with our information and funding opportunities.

The Board has been represented on the **Australian Forum of Construction Industry Training Funds, TasTAFE Trades and Water Centre of Excellence Steering Committee, Master Plumbers Association of Tasmania Education Committee, OzHelp Tasmania Board, and WorldSkills Tasmania Management Committee**.



STAKEHOLDER ENGAGEMENT

On behalf of the TBCITB, Timmins Ray developed a Stakeholder Engagement Plan that will inform our Communication Strategy and future industry engagement activities.

Despite the challenges of COVID-19, the development of a Stakeholder Engagement Plan has been a highly consultative process.

Valuable information gained through the process has provided clarity about the perceptions and needs of our key stakeholder groups. We now have a clear blueprint which outlines the methods the TBCITB can use to enhance and improve existing stakeholder relationships, and strategies to forge new connections with those groups currently disengaged from the Board.

Consultation methodology

Stakeholder Audit

**February
2020**



Timmins Ray conducted a Stakeholder Audit, which examined the existing relationships the TBCITB has with 12 key stakeholders. The purpose of the audit was to determine and evaluate stakeholder expectations and opinions of the TBCITB with the aim of identifying ways in which service standards could be improved to better meet stakeholders' needs.

Stakeholder Engagement Process

Timmins Ray returned to Stakeholder Audit participants to explain 'this is what you told us, and this is what the TBCITB is doing'. Additionally, they sought more detailed feedback on current relationships with the TBCITB and this insight was fed back to the Board.

**April/May
2020**



**June
2020**



Timmins Ray worked with the TBCITB to identify new or potential stakeholder groups within the building and construction industry and to establish contacts within those groups. An electronic survey was distributed to these stakeholders to gain baseline data. Stakeholders included:

- Micro, small, medium and large businesses in the building and construction industry
- Councils
- Member associations
- Schools
- RTOs
- Department of Education
- Independent and Catholic school sectors

Survey participants were invited to meet (in person or via video or phone) to discuss their relationship with the Board. During the meetings, parties were encouraged to share their views on:

**July/August
2020**



- Perceptions of the TBCITB
- Understanding of the TBCITB's role and function
- Perceived value of the TBCITB
- Opportunities for the TBCITB to improve service delivery and impact
- Stakeholders' preferred engagement and communication methods moving forward

34 stakeholder meetings were conducted either face-to-face, or via video or phone.

Timmins Ray engaged the Housing Industry Association and Master Builders Tasmania to assist in distributing a survey to their respective members to better understand how the TBCITB might communicate its value to disengaged industry participants.



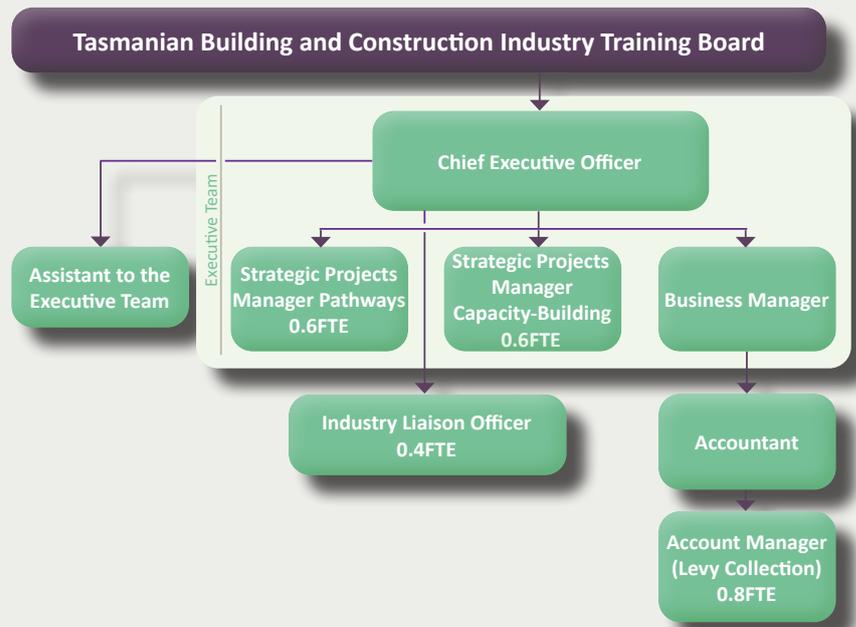
**August/September
2020**

At the time of printing this Report, the Board of the TBCITB is reviewing the draft Stakeholder Engagement Plan and has commenced work on a new Communication Strategy.

TBCITB ORGANISATIONAL STRUCTURE

To enable us to allocate resources to connecting more frequently and meaningfully with industry, we implemented a restructure of the organisation.

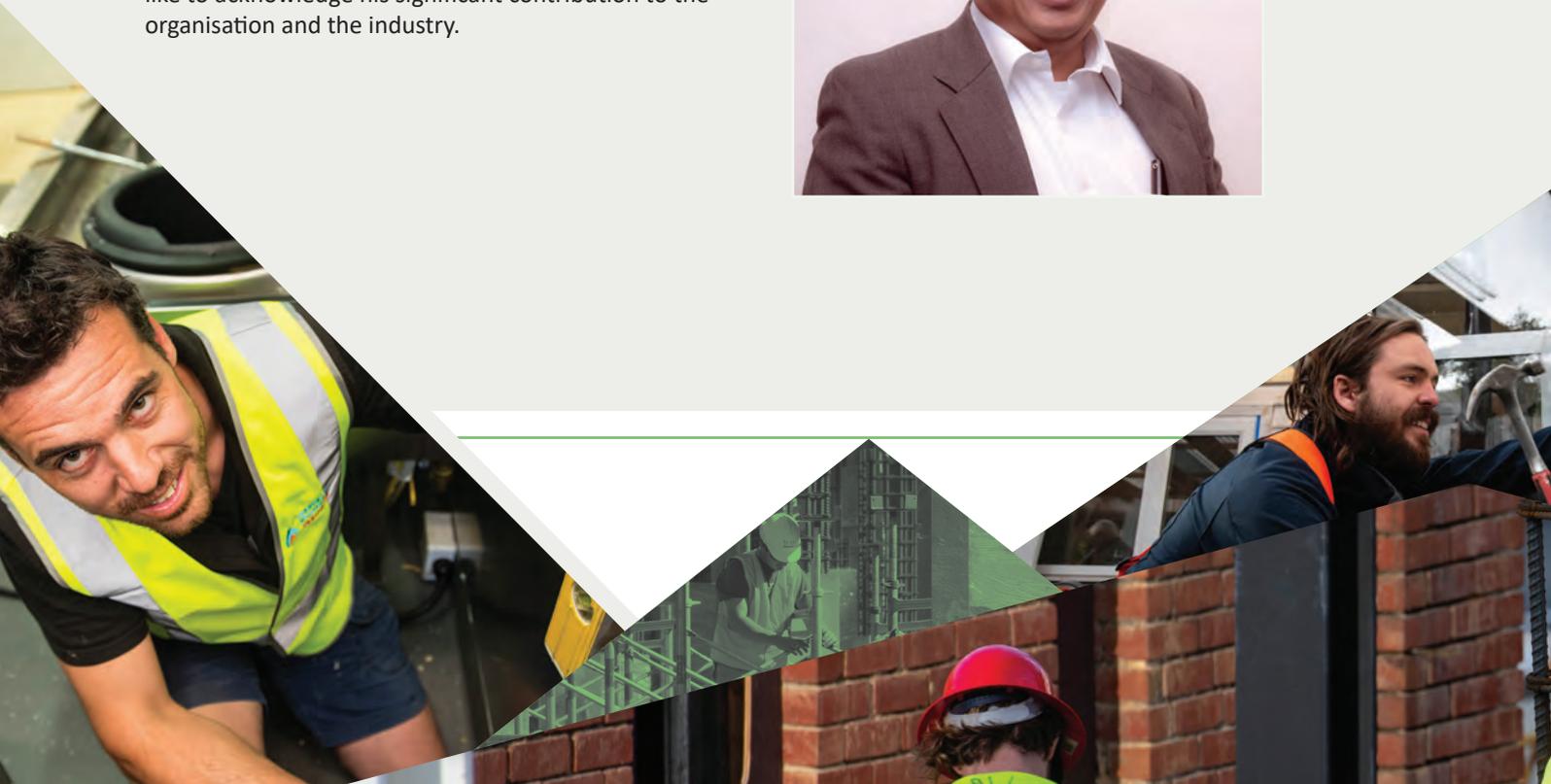
The TBCITB's new organisational structure emphasises strong industry and community engagement through targeted resource allocation. The Board also endorsed a reinvigoration of our communications and branding which will be completed in early 2021.



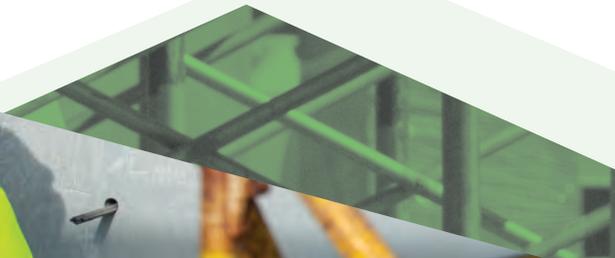
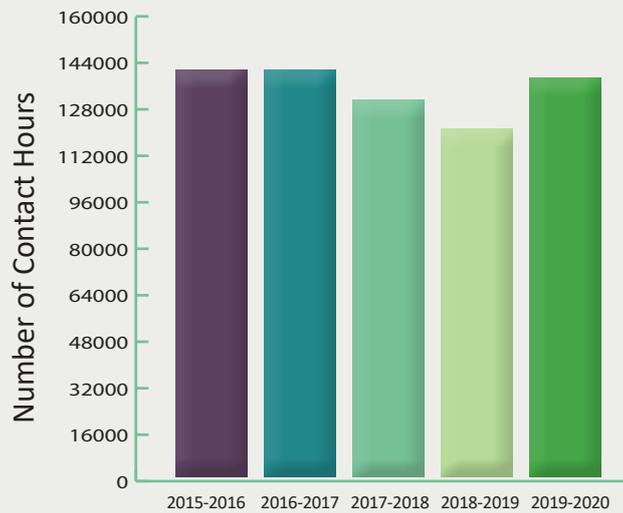
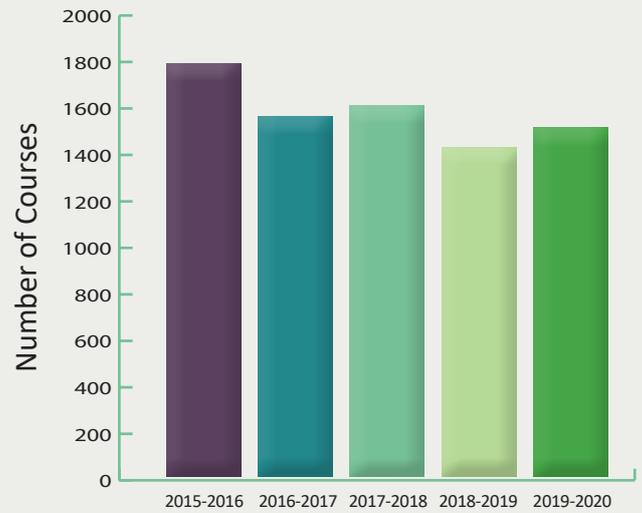
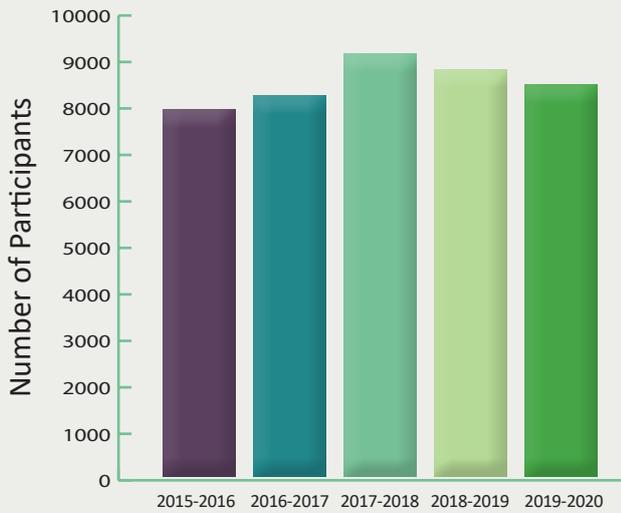
THANK YOU FRED LIJAUCO

On 30th June 2020 the TBCITB farewelled Fred Lijauco after almost 27 years with the Board.

TBCITB Directors and Fred's industry colleagues would like to acknowledge his significant contribution to the organisation and the industry.



PARTICIPATION IN TRAINING FUNDED BY THE TBCITB – 2019-2020





UPSKILLING AND MULTISKILLING

550 courses for 1937 participants totalling 33,360 contact hours. This program covered training on existing practices as well as new standards, regulations, technologies and products.



WORKPLACE HEALTH AND SAFETY, FIRST AID AND HIGH RISK TRAINING

784 courses for 4842 participants totalling 37,531 contact hours. The Board has been facilitating safety training for employers, employees and self-employed contractors in a continuing drive to develop a safety culture in the building and construction industry.



INDUSTRY INNOVATION AND INFORMATION TECHNOLOGY TRAINING

26 courses for 103 participants totalling 1,524 contact hours. This program was designed to enable industry members to assess and use information technologies and a range of industry innovation to meet their business needs. Training was also aimed at preparing industry for new developments that could change business practices at large.



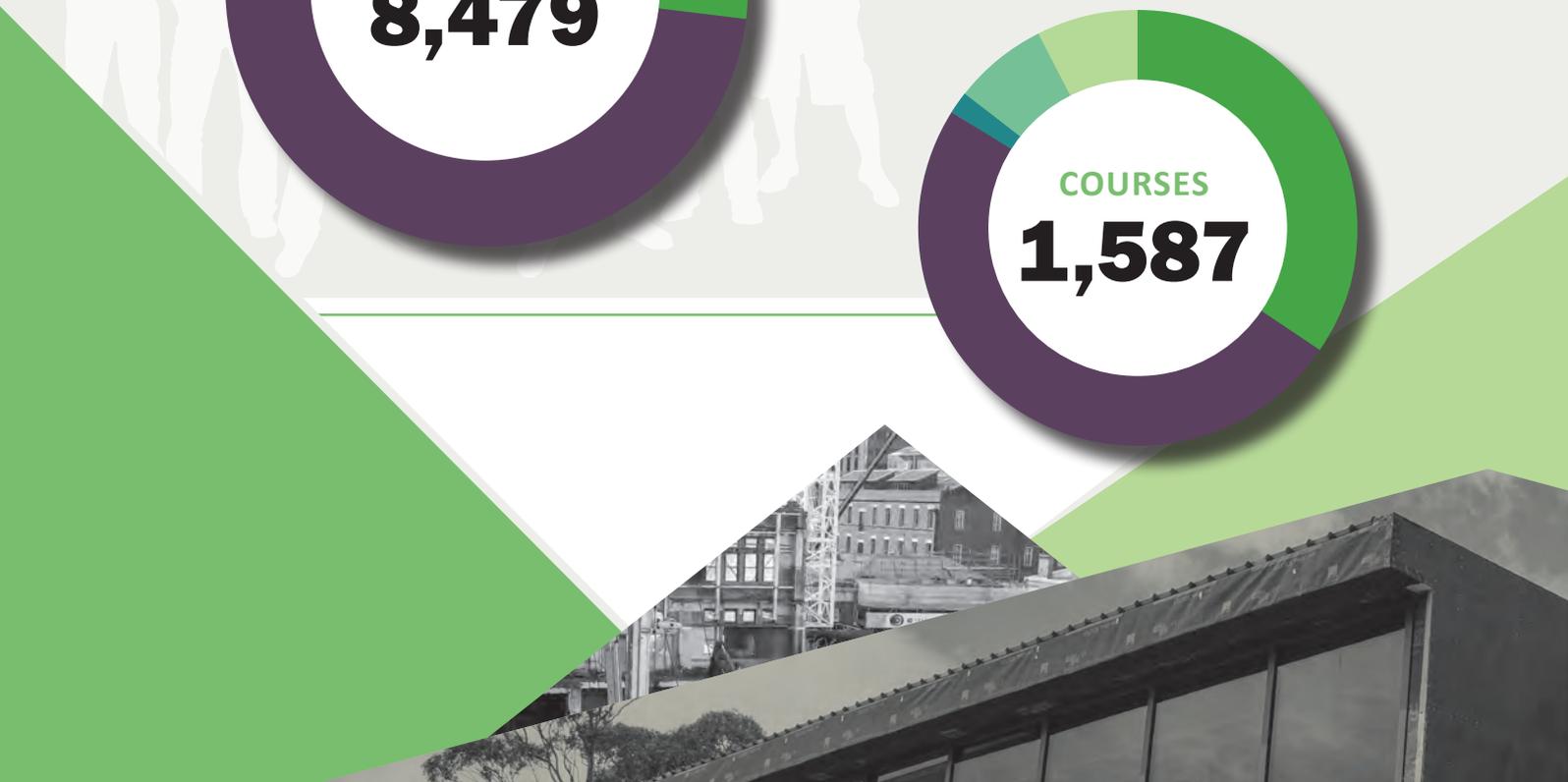
BUSINESS SKILLS TRAINING

108 courses for 886 participants totalling 10,715 contact hours. This program was designed to improve industry's capabilities to respond to market opportunities and develop skills required for quality, reliable and cost effective business operations.



VOCATIONAL AND TERTIARY EDUCATION

119 courses for 711 participants totalling 60,685 contact hours. The Board has facilitated funding for the following courses to improve qualifications and skills of industry entrants and members.



2020-2021 TRAINING PLAN

In its Training Plan for 2020-21, the Board allocated \$3,850,000 for the training of some 10,450 eligible industry members.

The Training Plan allocation includes the following training priorities:

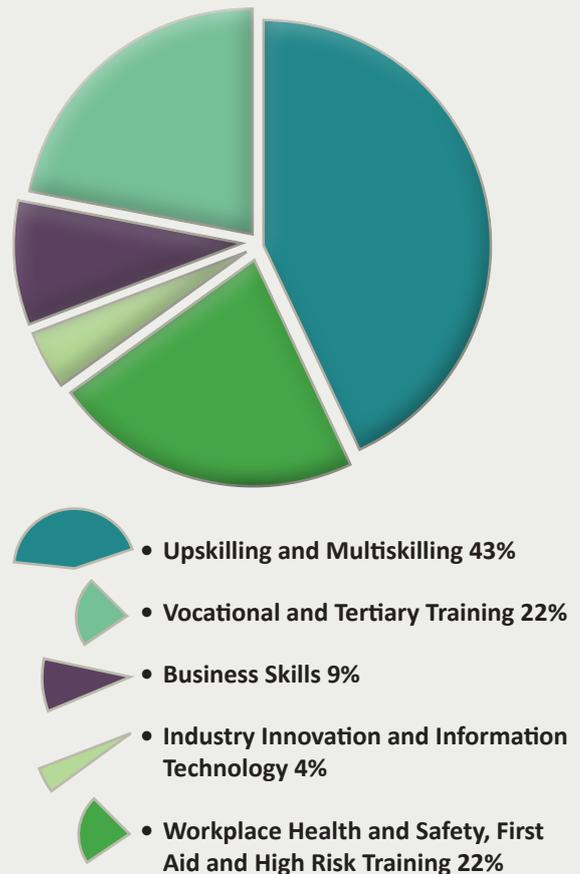
- **Upskilling and Multiskilling Program (\$1,650,000 including \$900,000 for COVID-19 response initiatives)**
- **Workplace Safety, First Aid and High Risk Training Program (\$850,000)**
- **Industry Innovation and Information Technology Training Program (\$150,000 including \$50,000 for Building Information Modelling (BIM) training)**
- **Business Skills Training Program (\$350,000 including \$100,000 for COVID-19 response initiatives)**
- **Vocational and Tertiary Training Program (\$850,000)**

In 2020-2021, the Board will also provide funding assistance for training associated with specific major projects including the University of Tasmania Launceston Campus Redevelopment. The workforce development needs and the potential for apprentice employment on these major projects will be monitored.

Through this Training Plan, the Board seeks to create an environment where industry actively participates in and fully appreciates the benefits of training. The Board is committed to producing a more productive, safe, employable, adaptable and innovative workforce.

TRAINING FUNDING ALLOCATION SUMMARY 2020 - 2021

TBCITB Training Priorities (2020-2021 allocations)





CORONAVIRUS

In 2019-20, the Board provided funding assistance for businesses affected by COVID-19 from a pool of \$1,000,000 allocated to support upskilling, multiskilling and business skills training. This funding allocation will continue through 2020-21, reviewed as required by the Board.

Additional support to complement industry association and Skills Tasmania initiatives has been funded on a project-by-project basis as needs have been identified.

“Our strategy has been to be responsive, accessible, collaborative and strategic, to support the Tasmanian building and construction industry at this critical time.”

COVID-19 STRATEGY

BE RESPONSIVE

- ✓ Engage directly with industry and key stakeholders to maintain a current understanding of the impact of COVID-19
- ✓ Identify priority areas for funding and resource support
- ✓ Allocate a significant funding amount to COVID-19 responses - \$1,000,000
- ✓ Implement targeted initiatives promptly
- ✓ Monitor impact and respond promptly to feedback

BE ACCESSIBLE

- ✓ Improve TBCITB communication direct to industry and extend contact database as a priority
- ✓ Simplify the processes for accessing funding and information

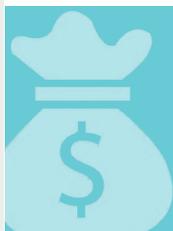
BE COLLABORATIVE

- ✓ Initiate and facilitate stakeholder collaboration to promote a strategic approach to COVID-19 responses in respect of workforce development
- ✓ Encourage formal and informal support networks across industry
- ✓ Actively engage with government consultative mechanisms

BE STRATEGIC

- ✓ Promote and support workforce planning as an immediate and long-term industry survival strategy
- ✓ Continue to provide incentives for businesses to engage apprentices and maintain employment
- ✓ Contribute to confidence-building through our general public and industry-specific interactions
- ✓ Action our Strategic Plan to establish the TBCITB as the go-to organisation for facilitating workforce development in the Tasmanian building and construction industry

COVID-19 Support Funding



Industry Association Funding Grant

To facilitate association activity in response to COVID-19

Board Commitment	Assisting	Claims Paid
\$280,000	4 industry associations	\$70,000



TBCITB Builders' Toolbox sessions

Board Commitment	Assisting	Claims Paid
\$22,000	28 small businesses	\$9,600

TBCITB Vehicle licence upgrades



Board Commitment **\$100,000**
 Assisting **226** businesses with **344**
 employees attending training
 Claims Paid **\$124,480**

TBCITB Microbusiness initiative



Board Commitment **\$450,000**
 Funding Proposals Approved **\$294,000**
 Assisting **49** businesses with **294**
 employees attending courses



Master Builders Tasmania Business Support sessions

Board Commitment **\$31,500**



Master Plumbers Business Support sessions

Board Commitment **\$31,500**



HIA Business Survival Service

Board Commitment	Assisting	Claims Paid
\$45,000	12 small businesses	\$2,200

As at 30th June 2020



FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2020

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Certification of Financial Statements

The attached Statements and notes thereon, to the best of our knowledge and belief presents fairly the state of the Tasmanian Building and Construction Industry Training Board's affairs as at 30 June 2020 and the results of operations for the year then ended.

The financial statements have been prepared on a going concern basis and funds are available to pay creditors as accounts fall due.

Dated 23rd September 2020



Karin Mathison
Chief Executive Officer



Tracy Matthews
Chairperson

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Statement of Comprehensive Income for the Year ended 30 June 2020

	Notes	2020 \$	2019 \$
REVENUES	1.3		
Industry training levy	1.4	3,537,873	4,654,531
Interest		85,263	105,363
Insurance Recovery		15,909	-
Other		4,532	-
Grants		-	90,000
Profit/Loss on disposal of non-financial assets		14,085	
TOTAL REVENUES		3,657,662	4,849,894
EXPENSES	1.3		
Administration		182,397	175,913
Customer service		145,545	116,510
Communication & workforce development		314,331	310,532
Executive		399,312	340,558
Finance & accounting		144,936	123,120
Levy collection		75,964	73,280
Research & development		305,828	156,452
Training reimbursement		2,098,809	2,137,345
TOTAL EXPENSES	2	3,667,122	3,433,710
PROFIT/(LOSS) FOR THE YEAR		(9,460)	1,416,184
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		(9,460)	1,416,184

The accompanying notes form part of these financial statements.

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Statement of Financial Position as at 30 June 2020

	Notes	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	1.5, 10	888,755	795,524
Financial assets	10	4,500,000	4,500,000
Receivables	1.5, 3	323,437	560,658
Prepayments		13,379	13,692
TOTAL CURRENT ASSETS		5,725,571	5,869,874
NON-CURRENT ASSETS			
Furniture, equipment, and vehicles	1.5,1.6, 4	39,439	22,926
Intangibles	1.5,1.6, 6	33,616	40,816
Right of use assets	5	90,658	-
TOTAL NON-CURRENT ASSETS		163,713	63,742
TOTAL ASSETS		5,889,284	5,933,616
LIABILITIES			
CURRENT LIABILITIES			
Payables	1.7, 7	89,621	99,216
Employee benefits	1.8, 8	33,770	156,466
Lease liability	1.12	75,263	-
TOTAL CURRENT LIABILITIES		198,654	255,682
NON-CURRENT LIABILITIES			
Employee benefits	1.8, 8	17,783	15,217
Lease liability	1.12	19,590	-
TOTAL NON-CURRENT LIABILITIES		37,373	15,217
TOTAL LIABILITIES		236,027	270,899
NET ASSETS		5,653,257	5,662,717
EQUITY			
Accumulated Profits		5,653,257	5,662,717

The accompanying notes form part of these financial statements.

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Statement of Changes in Equity for Year ended 30 June 2020

	Notes	2020 \$	2019 \$
Balance at beginning of financial year		5,662,717	4,246,533
Total comprehensive income for the year		(9,460)	1,416,184
Balance at the end of the financial year		5,653,257	5,662,717

The accompanying notes form part of these financial statements.

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Statement of Cash Flows for the Year ended 30 June 2020

	Notes	2020 \$	2019 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from customers		3,792,557	4,710,081
Grants received		-	90,000
Interest received		81,358	125,557
Interest paid		(5,960)	-
Payments to suppliers and employees		(3,677,755)	(3,633,761)
Net cash from/used in operating activities	11	190,200	1,291,877
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from term deposits		-	3,700,000
Payments for term deposits		-	(4,500,000)
Acquisition of fixed assets		(45,910)	(2,850)
Proceeds / (losses) on disposal of assets		17,273	-
Net cash used in financing activities		(28,637)	(802,850)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayment of lease liability		(68,332)	-
Net cash used in investing activities		(68,332)	-
Net increase (decrease) in cash held		93,231	489,027
Cash at the beginning of the year		795,524	306,497
Cash at end of reporting year	10	888,755	795,524

The accompanying notes form part of these financial statements.

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2020

1 ACCOUNTING POLICIES

The following is a summary of the material policies adopted by the Tasmanian Building and Construction Industry Training Board in the preparation of the Special Purpose Financial Report.

1.1 BASIS OF ACCOUNTING

In the opinion of the Board, the Tasmanian Building and Construction Industry Training Board is a non-reporting entity and prepares a Special Purpose Financial Report to meet the information needs of members and the requirements of the *Tasmanian Building and Construction Industry Training Fund Act 1990* (the Act). This Special Purpose Financial Report has been prepared on an accruals basis and is based on historical costs and, except where stated, does not take into account changing money values, or fair values of non-current assets.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year.

This Special Purpose Financial Report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AASB 101	<i>Presentation of Financial Statements</i>
AASB 107	<i>Statement of Cash Flows</i>
AASB 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
AASB 110	<i>Events after Balance Sheet Date</i>
AASB 116	<i>Property, Plant and Equipment</i>
AASB 16	<i>Leases</i>
AASB 119	<i>Employee Benefits</i>
AASB 124	<i>Related Party Disclosures</i>
AASB 137	<i>Provisions, Contingent Liabilities and Contingent Assets</i>
AASB 1004	<i>Contributions</i>
AASB 1048	<i>Interpretation of Standards</i>
AASB 1054	<i>Australian Additional Disclosures</i>

Where appropriate, these accounts have applied the not-for-profit exemptions of these standards. No other applicable Accounting Standards, Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

1.2 NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS

The Australian Accounting Standards Board has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Board. The Board has decided not to early adopt any of the new and amended pronouncements.

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2020

1.3 REVENUES AND EXPENSES

Revenues and expenses are recognised when and only if it is probable the flow of economic benefit to or from the Board will occur and can be reliably measured.

Liability in relation to training fees is expensed when a claim has been received and validated by the Board.

Interest on invested funds is recognised as it accrues.

1.4 INDUSTRY TRAINING LEVY

The industry training levy is payable under the *Tasmanian Building and Construction Industry Training Fund Act 1990*. The rate of levy is 0.2% on the value of building and construction work as defined in the Act.

The levy is payable before obtaining a building permit or where a building permit is not required, before commencement of the building and construction work. If an approved agency collects the levy on behalf of the Board it is recognised as revenue when collected by the agency.

1.5 ASSETS

Assets are recognised in the Statement of Financial Position when it is probable that future economic benefits will flow to the Board and the asset has a cost or value that can be measured reliably.

Cash and cash equivalents including bank and term deposits are recognised at their nominal amounts. Cash includes cash on hand, deposits held at call, other short-term highly liquid assets with original maturities of three months or less, and bank overdrafts.

Receivables in respect of accrued levy income and debtors are usually due for settlement within 30 days and are recorded at their recoverable amount. They are not discounted back to their present value.

Financial assets are assessed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if one or more events have had a negative effect on the estimated future cash flows of that asset.

All non-financial assets are recorded at historic cost and are tested for impairment at each reporting date. Impairment is generally limited to where the asset's depreciation is materially understated.

Assets costing less than \$2,000 are included in expenses in the year of acquisition.

All impairment losses are recognised in the Statement of Comprehensive Income.

1.6 DEPRECIATION

Items of office furniture & equipment and motor vehicles are depreciated, and software are amortised, on a straight-line basis over their expected useful economic lives after taking into account residual values. The expected lives are:

Motor Vehicle	3 years
Office Furniture and Equipment	3 – 20 years
Software	8 years

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2020

1.7 LIABILITIES

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

Payables represent liabilities for goods and services received prior to the end of the financial year and which are unpaid. They are recognised at their nominal amounts and are usually paid within 30 days of recognition.

1.8 EMPLOYEE BENEFITS

The Board has made provision for employee benefits for long service leave, recreation leave, superannuation benefits and rostered days off accrued but not taken at year end. Long service and annual leave is recognised on a pro-rata basis in respect of services provided by employees up to the reporting date.

Liabilities in respect of employee benefits are assessed having regard to such factors as, period of service and departures. Sick leave is non-vesting and has not been provided for. Those liabilities expected to be paid within the next 12 months are measured at the amounts expected to be paid. The present value of the benefit at year end is used where payments are expected after 12 months.

An employee benefit liability is classified as a current liability if the Board does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This would include all annual leave and unconditional long service leave entitlements.

The Board contributes to superannuation funds on behalf of its employees to provide benefits on retirement, disability or death. Contributions are charged against revenues and the Board has no legal obligation to make up any shortfall in the funds' assets to meet payments due to employees.

1.9 INSURANCE

The Board has arranged through its brokers to insure all major insurable risks. The excesses payable under the policies vary depending on each class of insurance held.

1.10 COMPARATIVE FIGURES

Comparative figures are shown and have been adjusted, where necessary, to reflect changes in accounting policy, adoption of new standards or reclassifications.

1.11 TAX STATUS

The activities of the Board are exempt from income tax under the *Income Assessment Act*. The Board is subject to Fringe Benefits Tax and Goods and Services Tax.

1.12 ACCOUNTING FOR LEASES

The Board has applied AASB 16 Leases with effect from 1 July 2019. In accordance with the accounting policy summarised below, this has resulted in the recognition of a Lease Liability and a corresponding Right of Use Asset of \$163,185 for arrangements previously classified as operating leases. At inception of a contract, the Board assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Board where the Board is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2020

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Board uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Board anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Right-of-use assets relate to a building lease of First Floor, 2 Castray Esplanade, Battery Point, Tasmania from 21 November 2011 to 30 September 2021.

1.13 GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount recoverable from, or payable to, the ATO is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the ATO is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

1.14 JUDGEMENTS AND ASSUMPTIONS

In the application of Australian Accounting Standards, the Board is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The areas where estimates of any material amount are made regularly relate to the recoverability of receivables, provision for employee entitlements and the consideration of options in assessing lease values.

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2020

2 EXPENSES

Significant expenses are grouped in the Statement of Comprehensive Income by function. The same expenses are shown in natural account form.

	2020	2019
	\$	\$
Salaries	556,985	490,818
Board member remuneration	114,780	111,682
Contracted staff	-	33,187
Consultants' fees	70,744	29,335
Superannuation	61,599	57,917
Redundancies	99,030	-
Advertising and promotion	130,075	150,645
Website service agreement	9,000	9,675
Website development	-	28,766
Repairs and minor equipment	5,684	8,381
Course fees and expenses	2,098,809	2,137,345
Accommodation and travel	8,603	5,994
Audit and legal fees	19,547	17,807
Printing and stationery	3,325	3,489
Bank fees and charges	1,123	1,074
Collection charges	30,782	31,494
Heat, light and power	4,122	6,070
Insurance	9,014	8,135
Fringe benefits tax	8,402	9,020
Employee health and wellbeing	1,286	3,127
Lease Interest	5,960	-
Office expenses	34,877	98,249
Postage and phone	21,893	27,212
Staff development	4,245	2,256
Board development	852	192
Vehicle expenses	3,052	3,024
Depreciation	26,209	18,884
Amortisation	79,727	7,200
Research and development projects	257,397	132,732
Total Expenses	3,667,122	3,433,710

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2020

		2020 \$	2019 \$
3	RECEIVABLES		
	Interest	41,619	37,714
	Goods and services tax	54,699	66,003
	Industry training levy	222,698	456,941
	Other	4,421	-
	Total Receivables	323,437	560,658
4	FURNITURE, EQUIPMENT, AND VEHICLES		
	Furniture and equipment at cost	1.5 49,186	33,924
	Less provision for depreciation	1.6 (31,549)	(18,111)
		17,637	15,813
	Motor vehicles at cost	1.5 28,051	36,045
	Less provision for depreciation	1.6 (6,249)	(28,932)
		21,802	7,113
	Total at net book value	39,439	22,926
	Reconciliation of carrying amount:		
	Furniture and Equipment		
	Carrying amount at beginning of year	15,813	19,833
	Additions	17,859	2,850
	Disposals	(92)	-
	Depreciation	(15,943)	(6,870)
	Carrying amount at end of year	17,637	15,813
	Motor Vehicle		
	Carrying amount at beginning of year	7,113	19,127
	Additions	28,051	-
	Disposals	(3,096)	-
	Depreciation	(10,266)	(12,014)
	Carrying amount at end of year	21,802	7,113
	Total	39,439	22,926

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2020

		2020 \$	2019 \$
5	RIGHT OF USE ASSETS		
	Building lease	163,185	-
	Less accumulated amortisation	(72,527)	-
	Total at net book value	90,658	-
	Reconciliation of carrying amount:		
	Building Lease		
	Carrying amount at beginning of year	-	-
	Initial recognition of leases per AASB 16	163,185	-
	Depreciation	(72,527)	-
	Carrying amount at end of year	90,658	-
6	INTANGIBLES		
	Software	1.5	57,603
	Less provision for amortisation	1.6	(23,987)
	Total at net book value	33,616	40,816
	Reconciliation of carrying amount:		
	Software		
	Carrying amount at beginning of year	40,816	48,016
	Additions	-	-
	Amortisation	(7,200)	(7,200)
	Carrying amount at end of year	33,616	40,816
7	PAYABLES		
	Creditors	19,884	74,407
	Accrued salaries	23,621	14,373
	PAYG Withholding	42,623	10,436
	Superannuation	3,493	-
	Total Payables	89,621	99,216
8	EMPLOYEE BENEFITS		
	Annual leave	30,020	61,359
	Long service leave	17,781	102,655
	Superannuation	3,752	7,669
	Total Employee Benefits	51,553	171,683
	Current	33,770	156,466
	Non-Current	17,783	15,217
		51,553	171,683

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2020

9 COMMITMENTS

9.1 TRAINING FEES

Under the Building and Construction Training and Upskilling Programs the Board has commitments for training fees payable to employers and host employers of apprentices employed under training agreements during 2016 to 2020. The expected payments could be made up to 30th June 2025 and are outcome based including continued employment for the term of the apprenticeships and the achievement of predetermined competencies. The commitment for these future payments as at the 30 June 2020 is \$1,134,855 (30 June 2019 \$1,498,400) and this assumes takeup of new programs of fifty (50) percent and an apprenticeship attrition rate of twenty (20) percent.

10 RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, the Board considers cash to include cash in hand and in banks and term deposits held that mature within three months. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2020 \$	2019 \$
Cash & cash equivalents	388,755	295,524
Term deposits	500,000	500,000
Total cash & cash equivalents	888,755	795,524

The Board also holds \$4,500,000 in term deposits (30 June 2019, \$4,500,000) that are held for periods greater than three months and therefore do not meet the classification requirements for cash and cash equivalents. Therefore, they have not been included in the above balance.

11 RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO PROFIT FOR THE YEAR

Comprehensive income for the year	(9,460)	1,416,184
Depreciation & amortisation	105,936	26,084
(Profit) / loss on disposal of assets	(14,085)	-
Increase / (decrease) in payables and accruals	(13,088)	(13,524)
Increase / (decrease) in employee benefits	(116,637)	27,205
(Increase) / decrease in sundry debtors	237,221	(164,034)
(Increase) / decrease in prepayments	313	(38)
	190,200	1,291,877

12 CREDIT STANDBY ARRANGEMENT WITH BANKS

Credit card facility	6,000	6,000
Amount utilised	-	-
	6,000	6,000

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2020

13 AUDIT FEES

The Statements of the Board are audited by the Auditor-General in accordance with the Audit Act 2008. The fee for the Board's 30 June 2020 audit is \$15,400 (30 June 2019, \$16,940).

14 EVENTS OCCURRING AFTER BALANCE DATE

During the 2020 financial year, the COVID-19 pandemic occurred which required the Federal and State Governments to introduce restrictions on the movement of the general population, including social distancing, restrictions on and closure of some businesses and work from home requirements. This has impacted Tasmanian Building and Construction Industry Training Board's operating capacity and reduces ordinary trading income due to these restrictions.

The Board will continue to closely monitor the financial performance of Tasmanian Building and Construction Industry Training Board and continue to adapt to the COVID-19 environment as circumstances change.

15 CONTINGENT ASSETS

The Tasmanian Building and Construction Industry Training Board is currently pursuing unpaid levies in relation to a property development. The quantum of the levies is a matter of dispute and therefore its quantum and the timing of receipt are uncertain as at 30 June 2020.

16 RELATED PARTY TRANSACTIONS

AASB 124 Related Party Disclosures requires related party disclosures to ensure that the financial statements contain disclosures necessary to draw attention to the possibility that Tasmanian Building and Construction Industry Training Board's financial results may have been affected by the existence of related parties and by transactions with such parties.

This note is not intended to disclose conflicts of interest for which there are administrative procedures in place.

The extent of information disclosed about related party transactions and balances is subject to the application of professional judgement by Tasmanian Building and Construction Industry Training Board. It is important to understand that the disclosures included in this note will vary depending on factors such as the nature of the transactions, the relationships between the parties to the transaction and the materiality of each transaction. Those transactions which are not materially significant by their nature, impact or value, in relation to Tasmanian Building and Construction Industry Training Board's normal activities, are not included in this note.

The total value of related party transactions is as follows:

	2020	2019
	Aggregate value of	Aggregate value of
	transactions	transactions
	\$	\$
Course fees and expenses	15,992	17,997

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2020

16 RELATED PARTY TRANSACTIONS (CONT.)

These transactions were completed on normal commercial terms.

No other KMP's entered into a material contract with Tasmanian Building and Construction Industry Training Board since the end of the previous financial period and there were no material contracts involving KMP' interests existing at the end of the period.

2020	Short Term Employee Benefits			Post Employment Benefits			Total Compensation
	Salary	Travel Allowance	Vehicles	Superannuation	Redundancy	LSL and A/L Movements	
Board Members							
Chairperson	19,061	244	-	1,811	-	-	21,116
Directors 9 Directors	85,761	1,519	-	8,148	-	-	95,428
Total Board Members	104,822	1,763	-	9,959	-	-	116,544
Senior Management							
\$160,000-\$220,000 1 Employee	189,880	210	-	14,309	83,850	(82,138)	206,111
\$70,000-\$120,000 3 Employees	274,526	1,542	14,884	29,295	-	(45,678)	274,569
Total Senior Management	464,406	1,752	14,884	43,604	83,850	(127,816)	480,680

2019	Short Term Employee Benefits			Post Employment Benefits			Total Compensation
	Salary	Travel Allowance	Vehicles	Superannuation	Redundancy	LSL and A/L Movements	
Board Members							
Chairperson	18,623	84	-	1,769	-	-	20,476
Directors 8 Directors	83,370	1,048	-	7,920	-	-	92,338
Total Board Members	101,993	1,132	-	9,689	-	-	112,814
Senior Management							
\$160-\$180,000 1 Employee	125,133	-	13,792	15,642	-	12,769	167,336
\$100-\$120,000 2 Employees	206,805	-	-	25,851	-	1,417	234,073
Total Senior Management	331,938	-	13,792	41,493	-	14,186	401,409



Independent Auditor's Report

To Members of the Tasmanian Building and Construction Industry Training Board

Report on the Audit of the Special Purpose Financial Report

Opinion

I have audited the accompanying financial report, being a special purpose financial report of the Tasmanian Building and Construction Industry Training Board (the Board), which comprises the statement of financial position as at 30 June 2020, the statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and other explanatory information and the statement of certification by management.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Board as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Section 10 of the *Building and Construction Industry Training Fund Act 1990*.

Basis for Opinion

I conducted the audit in accordance with 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 Board in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (Including the Independence standards)* (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.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

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

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To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

Emphasis of Matter - Basis of Accounting

I draw attention to Note 1.1 to the financial report, which describes the basis of accounting. The financial report have been prepared to assist the Board to meet the financial reporting requirements of the *Building and Construction Industry Training Fund Act 1990*. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of Management and members of the Board for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Building and Construction Industry Training Fund Act 1990* and for such internal control as they determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Board'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 the Board is to be dissolved by an Act of Parliament, or the members of the Board intend to cease operations, or have no realistic alternative but to do so.

The members of the Board are responsible for overseeing the Board's financial reporting process.

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 are 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management'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 Board'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. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board 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 represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with members of 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.



Leigh Franklin
Assistant Auditor-General, Financial Audit Services
Delegate of the Auditor-General

Tasmanian Audit Office

24 September 2020
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To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
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