
2017 - 2018
ANNUAL REPORT

**Tasmanian Building and
Construction Industry
Training Board**



Funding quality training for the industry



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HIGHLIGHTS OF 2017-18

Facilitation of 1,606 training courses for 9,266 participants resulting in 131,163 contact hours of training.

Direct applications for funding for training from companies reached 1,685.

CENTRE FOR EXCELLENCE PROGRAMS

- Continuation of the Board's upskilling incentive program for experienced and mature aged industry members. A total of 33 industry members are still active in the program as at 30 June 2018.
- Continuation of the Certificate III Apprentice Completion Bonus Program to help address concerns about apprenticeship retention. A total of 10 industry participants are in the program as at 30 June 2018.
- Continued support for the Bachelor of Building Degree Program in Construction Management and the Building Degree Cadetship Training Program.

INDUSTRY/GOVERNMENT PARTNERSHIP ARRANGEMENTS

- Promotion of careers in the building and construction industry to 2,060 school students throughout the state through funding provided to Master Builders Tasmania for the Building and Construction Pathways Project.
- Working with the Department of Education regarding the promotion of construction careers in schools.
- Working with Skills Tasmania and other partners on the City Deal – Building Launceston’s Apprenticeship Pipeline Project.
- Continuation of the Board’s Memorandum of Understanding with the Department of State Growth.
- Implementation of a memorandum of understanding with the Oatlands Heritage Education and Skills Centre.
- Implementation of a memorandum of understanding with St John to simplify provision of First Aid courses to the industry
- Convening of an Industry Forum in accordance with Section 8A of the *Building and Construction Industry Training Fund Act*.
- Association with the Australian Forum of Construction Industry Training Funds (AFCITF).

RESEARCH PROJECTS AND PUBLICATIONS

- Conduct of industry consultations including through industry associations about the changes to the building regulatory framework introduced by the Tasmanian Government.
- Ongoing development of workforce development plans for plumbing, fire protection, civil construction, building surveying, and middle management training.
- Collaboration with the University of Newcastle and other industry partners on research to better understand the industry capabilities relevant to the uptake of new technologies such as Building Information Modelling.
- Facilitation of industry feedback and contributing to the redevelopment of the national Construction Training Package.
- Consultation with the Tasmanian Government regarding building and construction apprenticeship issues.
- Continued work on Mentoring for Building and Construction Apprentices and Trainees including exploring the role of industry associations in work placement through their members, e.g., Tasmanian Independent Builders Association.
- Submission of the Training Plan for 2017-2018 in accordance with Section 34 of the *Building and Construction Industry Training Fund Act*.
- Published the State of the Industry Report 2018.

MESSAGE FROM THE CHAIRPERSON

The year 2017-18 has been a busy year for the Board. For 28 years, the TBCITB (Board) has played an important role in ensuring the long term viability of the building and construction industry in Tasmania. It has developed long term workforce development goals and implemented an action agenda while supporting, promoting and financing skill and knowledge development through training. The current unprecedented levels of work and the work in the pipeline make it imperative that we maximise apprenticeship opportunities to ensure that young Tasmanians benefit from the employment opportunities and to ensure that our future workforce has replacements ready as the baby boomers exit. Through technology developments, the Board has significantly improved its customer service for the industry.

The Board undertakes significant roles as the principal adviser to the Minister on all matters relating to workforce development in the building and construction industry, and also as a partner with the wide range of industry participants (associations, operators, unions, employees, training providers and government bodies).

From 1 January 2017, changes to the Board's Act have updated the Board's role into the broader sphere of workforce development. These changes also brought an increase to the Board's levy payment threshold from \$12,000 to \$20,000.

The Board has responded with the development of industry modelling and a workforce development plan supported by action plans in identified priority areas. A highlight has been working in partnership with the Master Plumbers Association of Tasmania to produce a workforce development plan that has contributed to plans for a new plumbing school, piloting entry level pre-employment courses, developing plumbers as TAFE trainers, identifying the career training pathway and developing promotional material targeting schools.

The Board has also collaborated with the Civil Contractors Federation and the Australian Institute of Building Surveyors on workforce development issues.

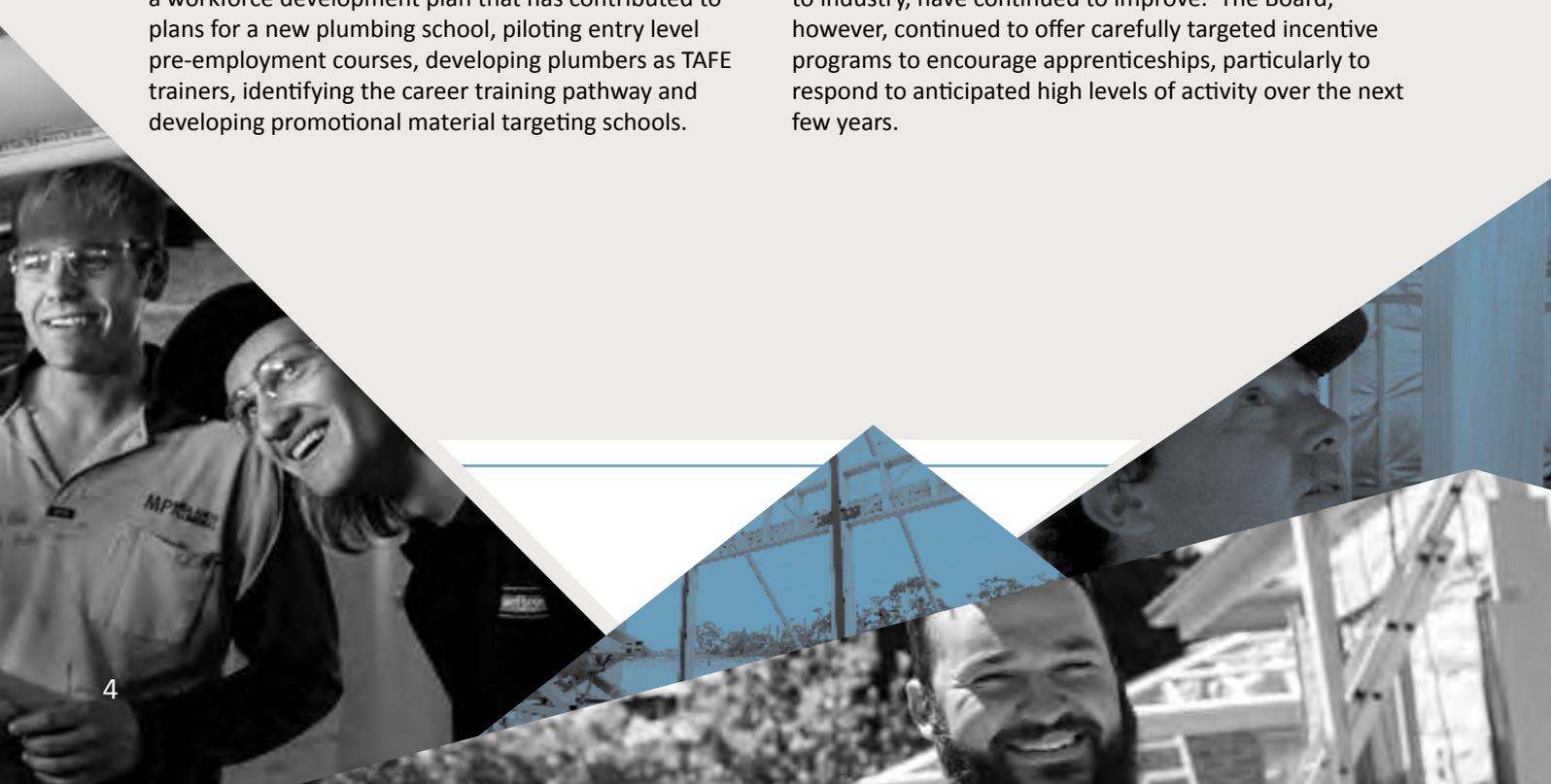
A key objective of the Board is to increase the quality and quantity of applicants for jobs in the industry. A key strategy will be improving the knowledge of teachers, students and parents about the wide range of opportunities the industry presents and to encourage students to begin their career training pathway as part of completing their Tasmanian Certificate of Education. An important element of that will be promoting the vocational education pathway as a valid alternative to the tertiary education pathway. Students will be encouraged to consider industry relevant subject choices as well as completing a pathways certificate or commencing a school based apprenticeship.

The Board collaborates with all industry participants to create a more productive, safer and career oriented industry. As work levels ramp up attention to safety practices will be more important than ever.

In 2017-18, the Board facilitated near record levels of training - 1,606 courses for 9,266 participants, an overall investment of \$2 million for courses and related expenses.

As at 30 June 2018, the Board has forward commitments and contingent liabilities of \$989,200 for apprenticeship programs through to 30 June 2022. These commitments and liabilities are fully funded.

The recent state of the industry has meant that numbers of apprenticeships, the highest priority entry point to industry, have continued to improve. The Board, however, continued to offer carefully targeted incentive programs to encourage apprenticeships, particularly to respond to anticipated high levels of activity over the next few years.



Through consultation, the Board has identified the following major issues for the industry:

- The Tasmanian building and construction industry continues to experience high activity levels expected to be around \$2.7 billion for at least the next two years.
- some major projects in the north of the state have been announced but commencements are much needed.
- The industry employed 26,100 as at May 2018, ten percent more than in May 2017 (23,700) and 41 percent more than in May 2016 (18,500). Because employment generally follows the trend in construction activity, the demand for workers, particularly in the south, is expected to remain strong in the next two years.
- Industry's capacity to train is directly linked to the availability of building and construction work. The industry employed 1,786 apprentices in 2017-2018 or 22 percent up from the previous year. Numbers in traditional apprenticeships as well as other building and construction apprenticeships (mainly in civil construction) have also improved but not enough.
- Non-completions of apprenticeships are still a concern at 13% (239/1,789) in 2017-2018.
- For the first time in several years there was an increase in the rate and cost of workplace incidents in construction accounting for just for just over 8.6 percent of lost time injuries at an average cost of over \$15,216 per incident in 2017.

The Board continues to provide advice to the Government about the policies which impact upon construction regulatory frameworks, capital works and the industry more generally. Issues which have been discussed with the Minister and the Department of State Growth include the state of the industry and activity levels, demographic change, funding for training, quality of training, responsiveness of the training system, emerging technologies, government training policies and careers pathway promotion in schools.

The Board has been implementing its strategic plan for 2016-19. Also, the Board submits an Industry Training Plan to the Minister prior to each financial year for approval. These plans are based on the state of the

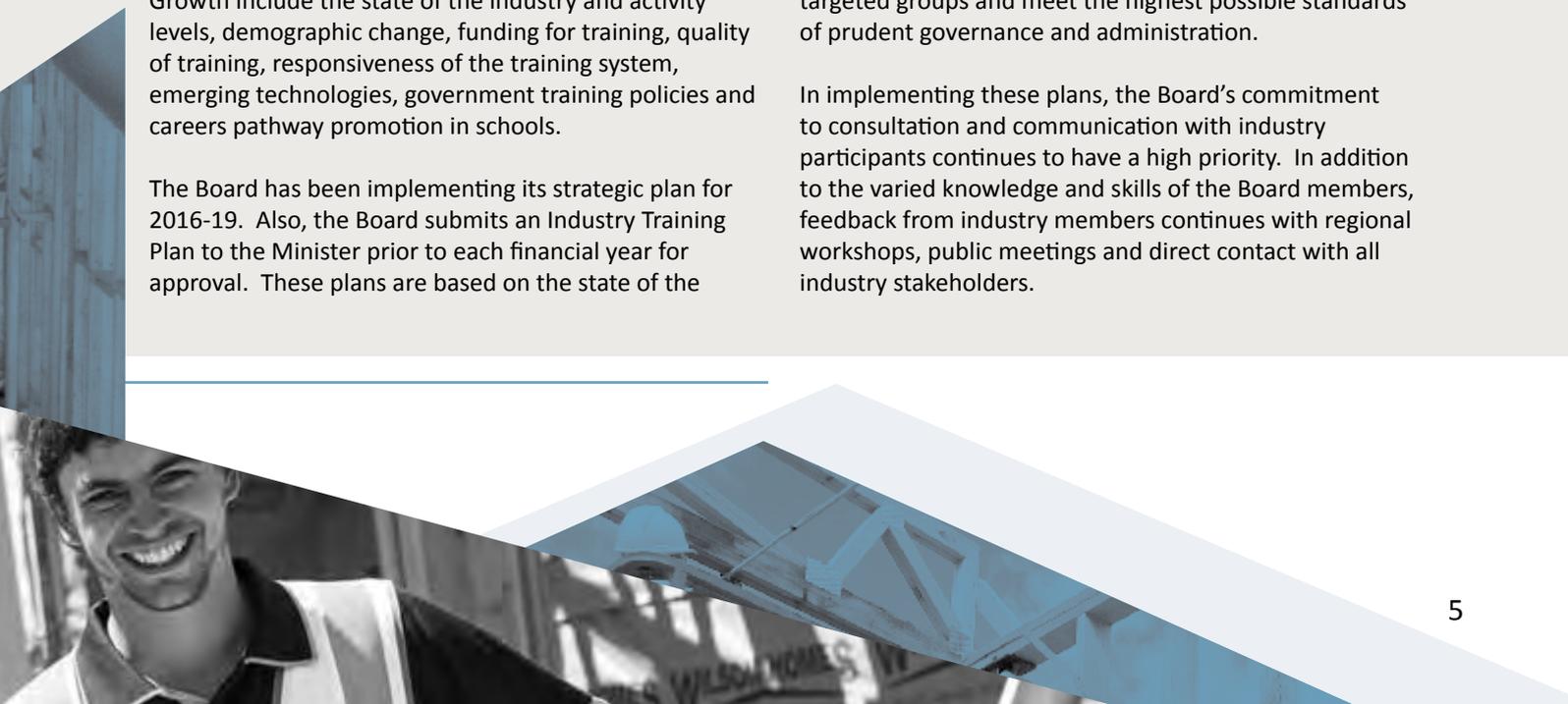
industry (as described in the Board's annual State of the Industry Report), stakeholder consultation and the Board's assessment of the industry's future and propose recommended allocations to a range of skill and knowledge areas. The Minister approved the Board's 2018-19 Training Plan in July 2018.

The Board continues to support youth focused programs including the Building and Construction Pathways Program. It also continues to offer programs designed to assist with specific industry need. A heritage skills transfer program provides assistance for the delivery of training to transfer knowledge and skills from experts or experienced practitioners to people working in the building and construction industry who are maintaining Tasmania's built heritage estate. The Board also offers an equity program to assist with the cost of providing training associated with the extra needs of a trainee if that person is an Aborigine, has literacy or numeracy issues, is female or has a physical or mental disability.

Looking to the future, the Board continues to assist industry prepare for emerging technologies. The Board and the Australian Institute of Building are continuing to work together through BIMHub to help Tasmanian practitioners prepare for the uptake of high level information and communication technologies including building information modelling.

For 2016-19, the Board has set the vision of ensuring the Tasmanian community has a sustainable and highly skilled, innovative, safe and healthy building and construction workforce. Its strategic objectives are to advise and advocate to the Minister and demonstrate independence on behalf of industry, lead workforce development for the Tasmanian building and construction industry, maintain and develop relationships with targeted groups and meet the highest possible standards of prudent governance and administration.

In implementing these plans, the Board's commitment to consultation and communication with industry participants continues to have a high priority. In addition to the varied knowledge and skills of the Board members, feedback from industry members continues with regional workshops, public meetings and direct contact with all industry stakeholders.





MESSAGE FROM THE CHAIRPERSON CONT.

The Board has also been working with stakeholders regarding the Building Regulatory Framework changes. It has introduced alternative levy payment options including payment by PAYPAL (secure credit card or funds transfer), payment by direct funds transfer or credit card payment especially for work not requiring a Council permit.

The Board has invested heavily in a new online application and claims system that has delivered productivity gains to both the Board and to industry users. Not only has the system simplified the process, it also makes the lodgement of applications and claims available on a twenty-four hours a day basis. The Board is now developing a training calendar that will be a better link between practitioners and training opportunities.

On behalf of the Board, I would like to thank Minister Rockliff for his support, and approval of the Board's Training Plan. The Board would also like to thank the building and construction industry associations and practitioners for their continued support, collaboration and participation. I thank all Board members for their contribution. I would also like to thank the Board staff for their excellent work in supporting the Board and delivering its programs

The workforce development needs of the building and construction industry have been the Board's focus and will continue to be so as we move into the 29th year of operation, a year of expected continued growth in the industry.

Tracy Matthews
Chairperson
TBCITB

THE TBCITB

The Tasmanian Building and Construction Industry Training Board is a statutory authority established under the *Tasmanian Building and Construction Industry Training Fund Act 1990*. The Board's vision is to ensure the Tasmanian community has a sustainable and highly skilled, innovative, safe and healthy building and construction workforce.

TBCITB PURPOSE

To advance workforce development in the building and construction industry through the provision of:

- Advice
- Funding
- Leadership
- Review
- Promotion
- Advocacy

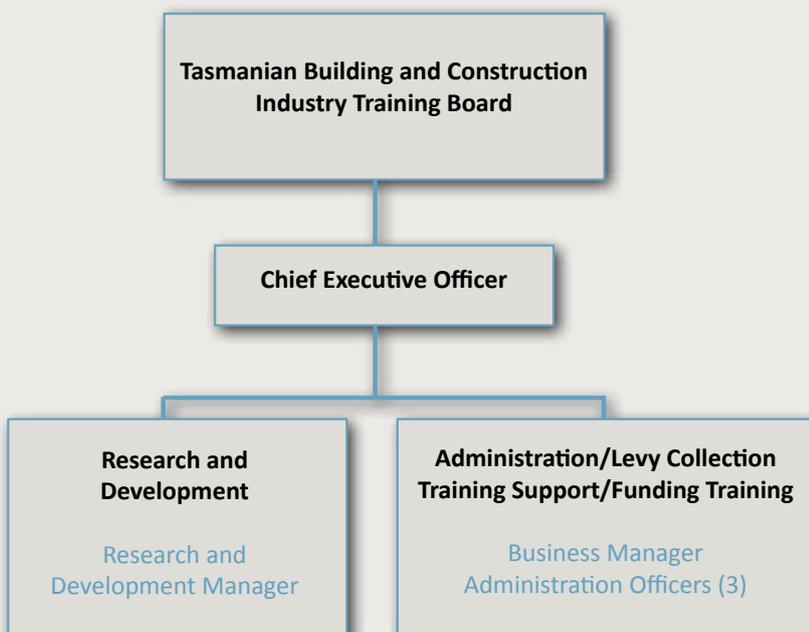
The Board holds these values to be fundamentally important:

- Industry focused
- Respectful
- Ethical
- Transparent
- Consultative
- Collaborative

The Board recognises that there are many stakeholders who make contributions to workforce development in the building and construction industry. The Board cooperates with all stakeholders to achieve the following objectives:

- To advise and advocate to the Minister and demonstrate independence on behalf of the industry.
- To lead workforce development for the building and construction industry.
- To maintain and develop relationships with targeted groups
- To meet the highest possible standards of prudent governance and administration.

TBCITB STRUCTURE



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:

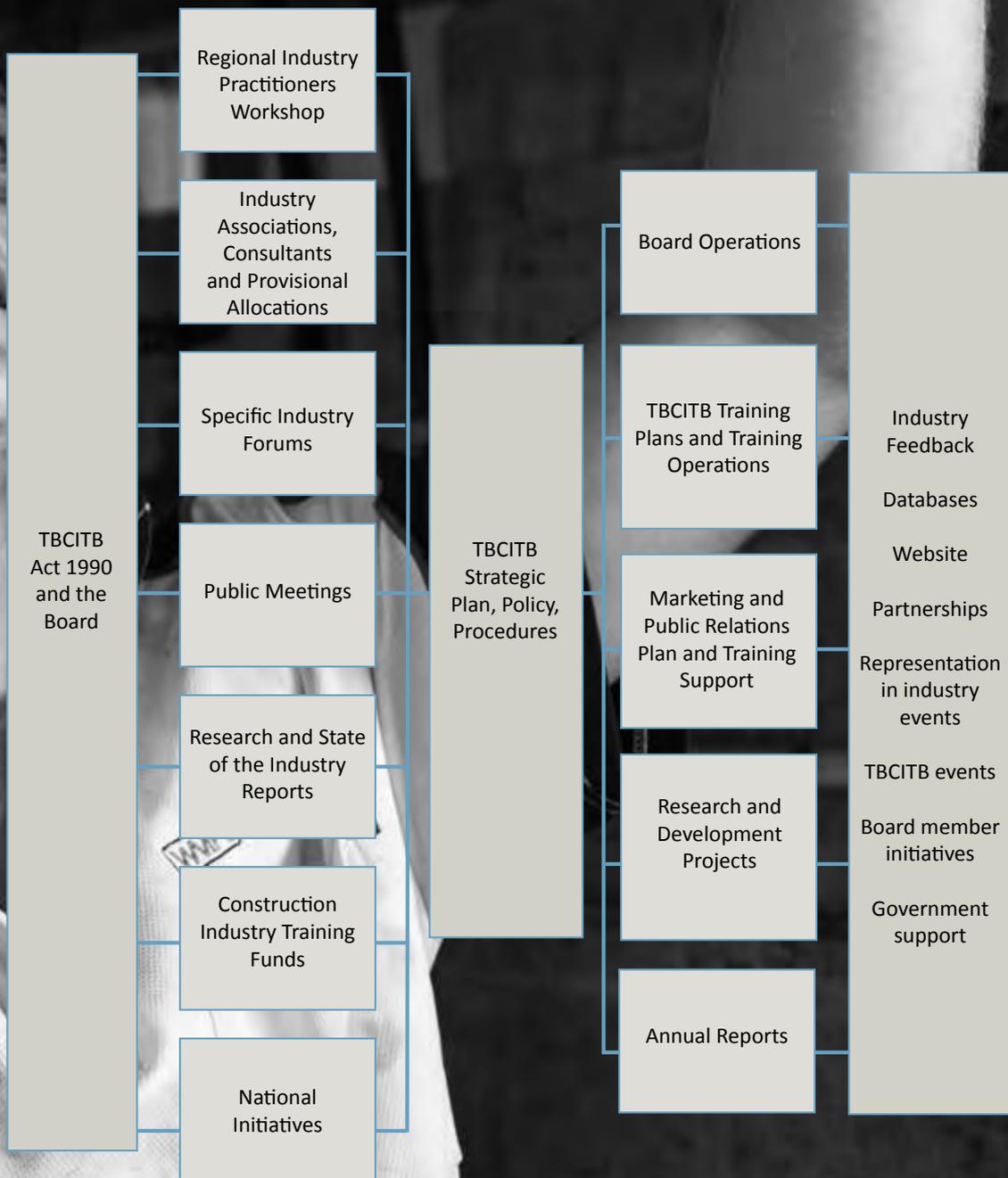
- To promote training, and training pathways, in the building and construction industry.
- To promote the Board, and its aims and activities, to the building and construction industry.
- To liaise with appropriate training organisations and other bodies.
- To advise on, and provide input into, the development 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.

BOARD MEMBERSHIP

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

- Ms Tracy Matthews (Chairperson)
- Mr Ted Bell
- Mr Ian Johnston
- Mr Richard Lowrie
- Dr Karin Mathison
- Ms Vonette Mead
- Mr Michael Rogers
- Ms Joanna Siejka (Resigned 10/10/17)
- Ms Naomi Walsh

TBCITB COMMUNICATION AND PLANNING PROCESS





ACHIEVEMENTS AGAINST TBCITB STRATEGIC OBJECTIVES

TO ADVISE AND ADVOCATE TO THE MINISTER AND DEMONSTRATE INDEPENDENCE ON BEHALF OF INDUSTRY

The Board has provided input to the **Australian and Tasmanian Governments** regarding building and construction industry training issues, workforce development and industry skill requirements.

The Board has published the **State of the Industry Report, 2018**. Copies of the report have been provided to the Minister, all Members of Parliament, relevant government agencies, industry associations, skills councils and construction industry training funds.

The Board has received feedback from industry that apprenticeship incentives remain a key issue. The Board has continued discussions with the State Government about its decision to reintroduce the **payroll tax rebate for apprentices and trainees and incentives for small to medium size businesses**.

The Board also **advised the Tasmanian Government** on the following:

- *Tasmanian Building and Construction Industry Training Fund Act 1990* requirements.
- Building and construction apprenticeship issues.
- Career pathways promotion
- My Education
- Building Information Modelling
- National Construction Training Packages.
- National industry training advisory issues.

The Board has participated in a **strategic partnership with Skills Tasmania** with a memorandum of understanding establishing regular consultation and flow of industry information between the two bodies.

Where required, the Board provides advice to the **Artibus Innovation and PwC** regarding the improvements to the construction Training Packages. CEO Simon Cocker has been appointed as a member of the Construction Industry Reference Committee by the Australian Forum of Construction Industry Training Funds.

To support careers promotion, the Board has provided funding to Master Builders Tasmania for the **Building and Construction Pathways Project**. The aim of the project was to promote careers in the building and construction industry to school students throughout the state. A total of 51 schools and 2,060 students attended the careers presentations statewide.

The Board is a keen supporter of the **WorldSkills Competitions**. WorldSkills is Australia's largest and most prestigious trade and skills competition. It involves a series of regional, national and international competitions held over a two-year cycle, designed to develop and nurture the vocational skills of young people. The Board supports the Tasmanian regional WorldSkills competitions. The Board promoted WorldSkills to industry members and encouraged employers or their employees to nominate for the 2018 competitions. Categories included bricklaying, cabinetmaking, carpentry, electrical installation, joinery, painting and decorating, plastering, plumbing, and wall and floor tiling.

The **Apprentice of the Year Award** forms part of the Tasmanian Training Awards, which promote and encourage quality in vocational education and training. The Awards are held annually and are open to apprentices and trainees in any area of the construction industry. The Board has been encouraging employers to nominate their apprentices and trainees for the Awards.

The Board worked with various training providers including the Civil Contractors Federation and Housing Industry Association to implement professional development **programs for women co-preneurs** in the industry.

The Board continues to explore opportunities for **Mentoring Building and Construction Apprentices and Trainees**. It is working with industry stakeholders such as the Tasmanian Independent Builders Association to address identified the gaps in the provision of mentoring and other support services. The Board wants to improve the completion rate of apprentices and trainees.

The Board is updating its **Heritage Building and Construction Skills Report** to understand the key changes and emerging trends that can impact on the demand and supply of such skills in the industry.

The Board is developing a **Careers Website** to assist in promoting careers, jobs and training in the building and construction industry by providing information on apprenticeships, learning pathways and career advice.

The Board's website at www.tbcitb.com.au has been designed to ensure industry members have access to information relevant to their needs and the activities of the Board.

The Board website features:

- Latest News.
- A Funding Assistance Applications page.
- Information on the Act and the training fund.
- List of courses funded by the Board.
- A building and construction careers page.
- Information on apprenticeship incentives.
- Information about the Board.
- Copies of Board publications.

TO LEAD WORKFORCE DEVELOPMENT FOR THE BUILDING AND CONSTRUCTION INDUSTRY

The Board has begun implementing a rolling five-year **Workforce Development Plan**. Workforce development includes workforce planning and constant review of recruitment retention and staff development. It evaluates skills and training needs at an industry level by making judgements on the skill and training levels required by and available to the workforce and by constant review and evaluation of the training packages in use and assessment of future needs.

The plan advises the Board in making judgements and providing evidence based advice on when, where and how intervention may be necessary or desirable to maintain the skilled workforce, primarily through targeted advice, incentives, training subsidies and promotion of training pathways, but also through other aspects of workforce development.

Among other things, the plan uses a model that focuses on maintaining a well trained core workforce set at the 10-year average of employment levels. It assumes that the industry has a mature set of skill and knowledge-based occupational categories that will remain adequate for meeting likely demand and supply conditions in the next five years and that the market must always play a role in meeting significant upward fluctuations in demand for skilled labour. In accordance with this broad plan, the Board has been working with stakeholders to develop more specific workforce development plans for their sectors. In that regard, work is ongoing for the building surveying, civil construction, fire protection services, and plumbing sectors as well as middle management training and heritage construction.



In accordance with Section 34 of the Act, the Board prepared and submitted its **Training Plan 2018-2019** to the Minister for Education and Training. Highlights of the plan include:

- A training budget of \$2.5 million had been allocated to implement the plan.
- The plan targets some 10,370 eligible industry participants.
- Allocation for industry training priorities in the following programs:
 - Upskilling and multiskilling,
 - Workplace health and safety, first aid and high risk training,
 - Industry innovation and information technology training,
 - Business skills training, and
 - Vocational and tertiary education.

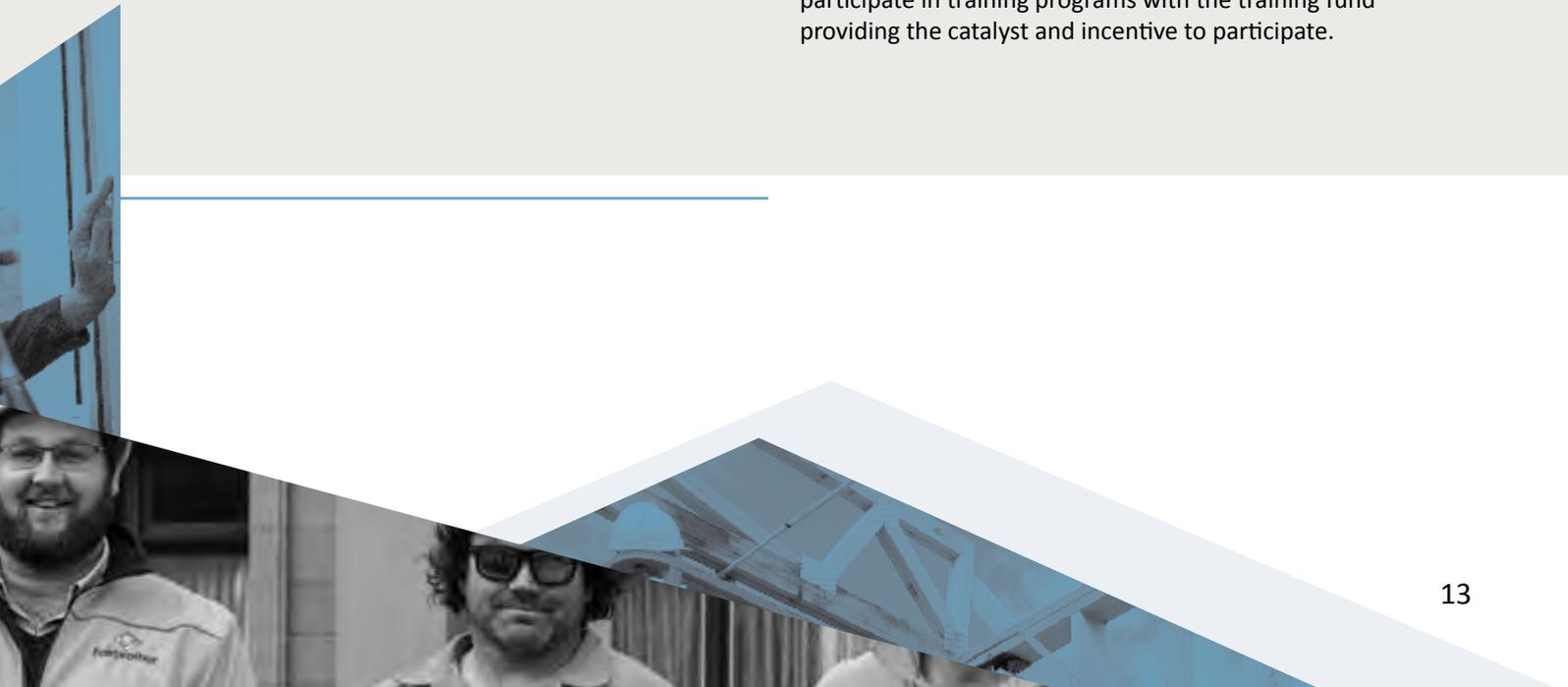
The Minister for Education and Training approved the Board's 2017-2018 Training Plan.

The Training Plan has been specifically designed to ensure priorities for training and workforce development identified by the industry can be accommodated within the above five program areas. Given the diverse nature of the industry, including a very large number of small businesses located throughout the State, it is not practicable to specifically prioritise individual training needs. The Board's training demand driven model, as detailed in the plan, suits the needs of both small and large building and construction enterprises. The flexibility in the Board's Training Plan has proven effective in meeting those industry needs.

In accordance with its Training Plan 2017-2018, the Board has facilitated **1,606 courses for 9,266 participants or 131,163 contact hours** from the industry training fund during the year.

The Board has been encouraging building and construction enterprises to negotiate with training providers to ensure their business needs are met. Often the result of this negotiation is a more enterprise specific training course, reducing the duration and cost of the training delivered.

The Board has worked hard at having an industry driven training system rather than a training provider driven system. This has led to more enterprises wanting to participate in training programs with the training fund providing the catalyst and incentive to participate.



UPSKILLING AND MULTISKILLING

583 courses for 2,499 participants totalling 29,351 contact hours. This program covered training on existing practices as well as new standards, regulations, technologies and products. Courses include:

- Asbestos Management
- Building Code of Australia
- Cabling and Instrumentation
- Concreting, Earthworks and Pavements
- Dogging
- Electrical Licensing, Wiring and Testing
- Elevated Work Platforms
- Energy, Environments and Conservation
- Forklift
- Footing and Floor Systems
- Gasfitting and Refrigerants
- Heating and Air Conditioning
- Heritage
- Plans, Property and Surveying
- Plant Operator
- Plumbing Including Backflow
- Products Update
- Refrigeration
- Rigging
- Scaffolding
- Testing and Tagging
- Tie Downs and Bracing
- Timber Framing
- Waterproofing
- Welding, Repairs and Painting

WORKPLACE HEALTH AND SAFETY, FIRST AID AND HIGH RISK TRAINING

769 courses for 5,144 participants totalling 35,302 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. Courses include:

- Alcohol and Drug Program
- Confined Space
- Driver Training (Dangerous Goods)
- Fire Safety
- First Aid
- Hazardous Areas
- Life Skills
- Manual Handling
- OHS General
- OHS Manager, Supervisor and Safety Representative
- Traffic and Rail Management
- Work Safely Induction White Card
- Working at Heights

INDUSTRY INNOVATION AND INFORMATION TECHNOLOGY TRAINING

27 courses for 157 participants totalling 1,791 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. Courses include:

- Basic Computer Training
- Building Information Modelling
- MYOB
- Project Management
- Spreadsheets
- Word Processing

BUSINESS SKILLS TRAINING

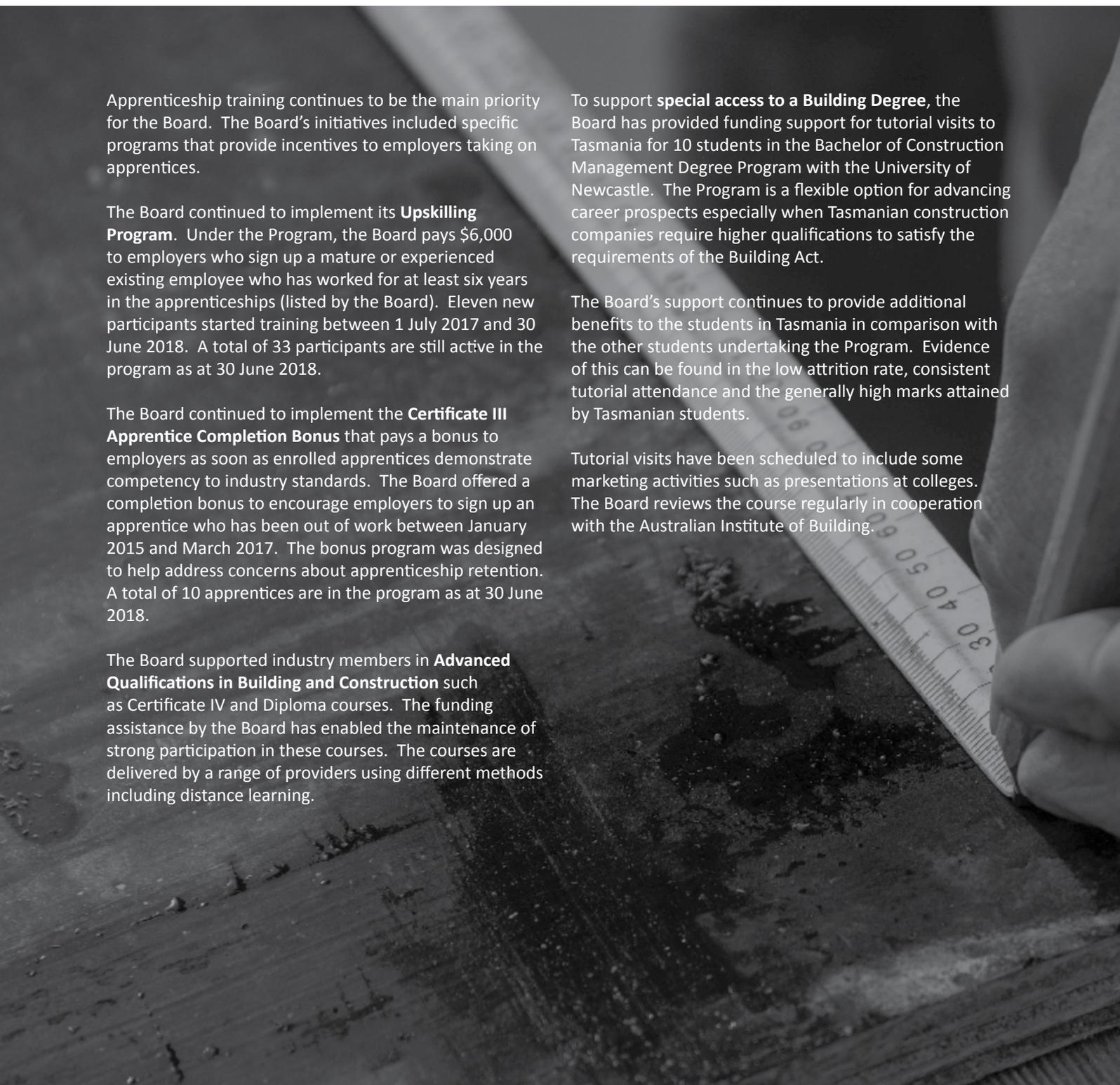
103 courses for 783 participants totalling 7,230 contact hours. This program was designed to improve industry's capabilities to respond to market opportunities and develop skills required for quality, reliable and cost effective business operations. Courses include:

- Assessment Skills
- Contracts and Security of Payments
- Environmental Auditor and Management
- Finance, Tax and Estimating
- Industry Trends
- Management General
- Management Specific
- Marketing
- Project Management
- Quality Assurance

VOCATIONAL AND TERTIARY EDUCATION

124 courses for 683 participants totalling 57,489 contact hours. The Board has facilitated funding for the following courses to improve qualifications and skills of industry entrants and members:

- Building Degree
- Bushfire Rebuild Bonus
- Certificate Electrical, Air Conditioning, Lights
- Certificate IV Building
- Certificate IV/Diploma Accounting and Business
- Certificate IV/Diploma Building
- Certificate IV/Diploma Design and Drafting
- Certificate IV/Diploma Project Management
- Certificate IV/Diploma WHS
- Certificate IV Training and Assessment
- Completion Bonus
- Upskilling Program
- 2018 Heritage Scholarship



Apprenticeship training continues to be the main priority for the Board. The Board's initiatives included specific programs that provide incentives to employers taking on apprentices.

The Board continued to implement its **Upskilling Program**. Under the Program, the Board pays \$6,000 to employers who sign up a mature or experienced existing employee who has worked for at least six years in the apprenticeships (listed by the Board). Eleven new participants started training between 1 July 2017 and 30 June 2018. A total of 33 participants are still active in the program as at 30 June 2018.

The Board continued to implement the **Certificate III Apprentice Completion Bonus** that pays a bonus to employers as soon as enrolled apprentices demonstrate competency to industry standards. The Board offered a completion bonus to encourage employers to sign up an apprentice who has been out of work between January 2015 and March 2017. The bonus program was designed to help address concerns about apprenticeship retention. A total of 10 apprentices are in the program as at 30 June 2018.

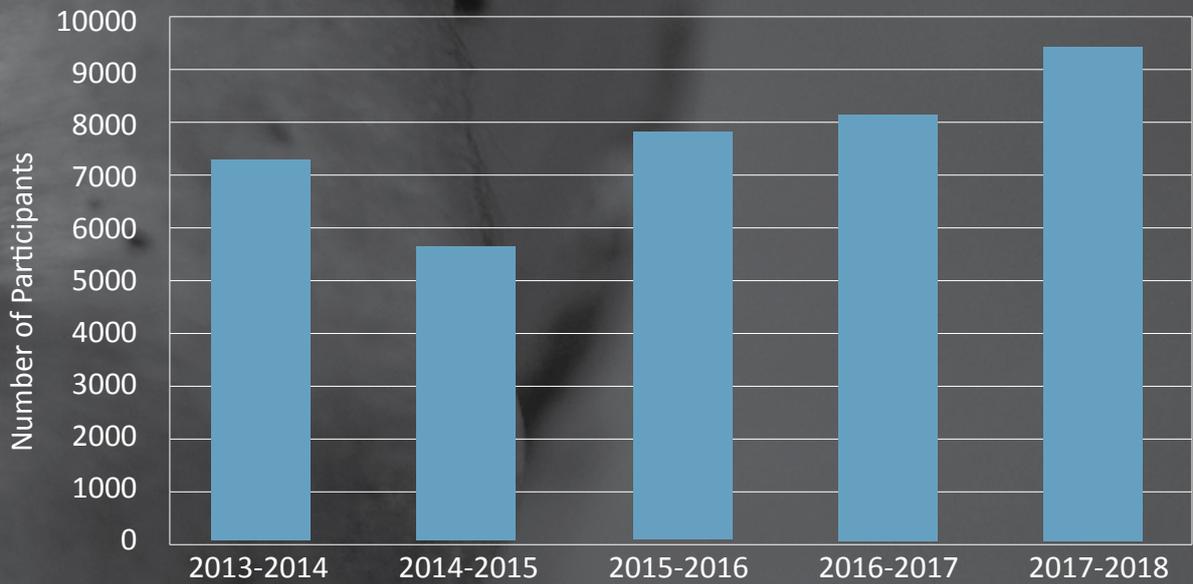
The Board supported industry members in **Advanced Qualifications in Building and Construction** such as Certificate IV and Diploma courses. The funding assistance by the Board has enabled the maintenance of strong participation in these courses. The courses are delivered by a range of providers using different methods including distance learning.

To support **special access to a Building Degree**, the Board has provided funding support for tutorial visits to Tasmania for 10 students in the Bachelor of Construction Management Degree Program with the University of Newcastle. The Program is a flexible option for advancing career prospects especially when Tasmanian construction companies require higher qualifications to satisfy the requirements of the Building Act.

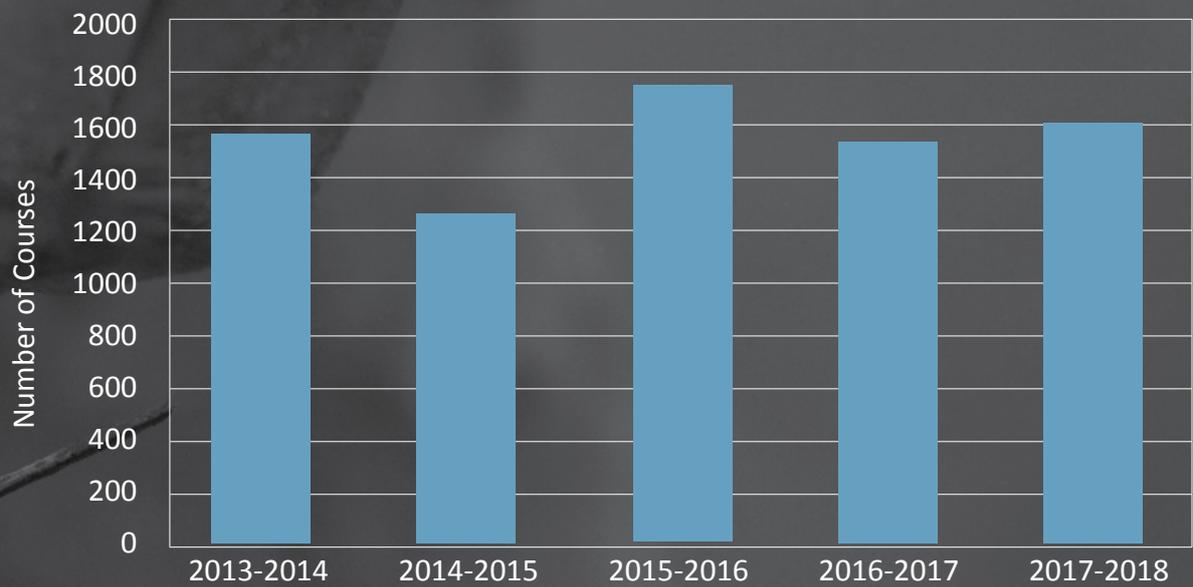
The Board's support continues to provide additional benefits to the students in Tasmania in comparison with the other students undertaking the Program. Evidence of this can be found in the low attrition rate, consistent tutorial attendance and the generally high marks attained by Tasmanian students.

Tutorial visits have been scheduled to include some marketing activities such as presentations at colleges. The Board reviews the course regularly in cooperation with the Australian Institute of Building.

PARTICIPATION IN TRAINING FUNDED BY THE TBCITB



COURSES FUNDED BY THE TBCITB



TO MAINTAIN AND DEVELOP RELATIONSHIPS WITH TARGETED GROUPS

In accordance with Section 8A of the Act, the Board convened a **public meeting in Launceston in October 2017** 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. Topics discussed include the changes to the building regulatory framework and apprenticeship support services.

In addition to public meetings, the Board held **biennial regional industry practitioner's workshops in May 2018** to give practitioners a say about training in the Tasmanian building and construction industry.

In consultation with industry stakeholders, the Board has been developing **workforce development plans** for specific sectors including plumbing, fire protection, civil construction and building surveying as well as middle management training and heritage construction. Corresponding action plans will be implemented to address the issues identified

Through various activities described in its **Marketing and Public Relations Plan**, the Board has increased participation in Board funded training programs and has raised awareness of and support for the Board. Those activities include the publication of the Board's newsletter "Training News", the "Training Bulletin", news releases via print and electronic media, public events, direct marketing, and other information kits, as well as maintaining the TBCITB website.

The Board maintains an **industry database of building and construction stakeholders** that presently contains 4,243 records, an important resource providing access to training. The Board ensures that this resource is effective and current.

The Board has worked to a **Memorandum of Understanding with Skills Tasmania** for the development and approval processes of the Building and Construction Industry Training Plan in accordance with sections 34 and 36 of the Act.

The Board is represented on the **Australian Forum of Construction Industry Training Funds, Master Plumbers Association of Tasmania Education Committee, OzHelp Tasmania Board, and WorldSkills Tasmania Management Committee.**



TO MEET THE HIGHEST POSSIBLE STANDARDS OF PRUDENT GOVERNANCE AND ADMINISTRATION

The Board uses its **Training Policy and Funding Procedures** to process applications for funding for defined industry members. The Procedures provide guidelines for funding applicants and are available in hardcopy from the Board and on the Board’s website.

The procedures ensure defined industry members are able to access funding for training. Those procedures are reviewed continuously to maintain credibility, fairness, transparency and accountability.

Application for Funding. Under the Board’s Training Policy and Funding Procedures, businesses in the building and construction industry covered by the Act can make an application for funding to send their personnel to attend training courses.

Year	Direct Applications from Industry
2013-14	1,423
2014-15	1,232
2015-16	1,535
2016-17	1,279
2017-18	1,685

To ensure maximum impact of the benefits of the training fund across all sectors of the building and construction industry, the Board reviews its eligibility criteria regularly.

The Board has initiated and funded training programs for industry members by making **funds available to assist payment of course fees**. In addition, employers contributed to the total cost of the training through wages of participants while on training courses and, in some cases, transport and accommodation costs.

To ensure equitable distribution of the training fund, the Board has put in place a **system of allocations** to ensure budgets can be achieved.

Every training course attendee is required to complete a **course evaluation form**. The evaluation form serves three purposes. First, the attendee’s details are checked to ensure that they are industry participants as defined by the Act and hence able to access funding. Second, to ensure the course is appropriate to the needs of those attending, training courses that receive poor evaluations will not be funded and are removed from the Board’s course database. Third, data on the evaluation forms are analysed to assist the Board with its operational objective of ensuring a more equitable distribution of effort among employers in relation to employment related training in the building and construction industry.





The Board maintains a **database of businesses operating in the building and construction industry as defined in the Act**. The Board can make the database available to proponents and training providers to assist in the marketing of approved courses.

A **database of courses** is also being maintained to assist industry members in being able to easily access training that meets their needs. The database lists the courses funded by the Board within the last eighteen months, the duration of each course, and details of the training providers. Industry members are encouraged to contact training providers directly to determine details of future delivery of courses in which they are interested. The database is available on the Board's website. The database is periodically promoted in the Training News.

The accounts of the Board met the requirements of the **Financial Management and Audit Act 1990** (refer to the Auditor General's Report and the Financial Statements).

The Act requires a levy of 0.2 percent of the estimated value of building and construction work costing more than \$20,000. This levy is paid into a fund that is controlled and administered by the Board. The Board applies established **procedures for levy collection and verification**.



Timely **information and advice** have been provided to the Board and industry constituents on administrative matters/issues affecting industry training.

The provisions of the **Archives Act** have been met.

In accordance with requirements under Schedule 5 of the Act, the Board met six times this year. The Board held its annual general meeting in September 2017. Disclosure of interests and other provisions as outlined in the Act were adhered to. In this regard, 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 Richard Lowrie	5 out of 5
Mr Ted Bell	3 out of 5
Ms Joanna Siejka (Resigned 10/10/2017)	2 out of 2
Ms Karin Mathison	4 out of 5
Ms Naomi Walsh	4 out of 5
Mr Michael Rogers	5 out of 5
Mr Ian Johnston	5 out of 5

The Board prepares its **strategic and training plans** based on, among other things, the outcomes of its regional industry workshops and annual public meeting.

The Board has developed procedures to meet the requirements of the **Public Interest Disclosures Act 2002** and the **Right to Information Act 2009**.

The Board is part of the **Australian Forum of Construction Industry Training Funds** and has applied the knowledge and experience of the Forum in its operations including the provision of advisory services.





FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Certification of Financial Statements

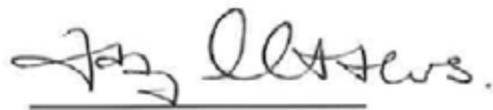
The attached Statements and notes thereon, to the best of our knowledge and belief presents fairly the state of the Tasmanian Building and Construction Industry Training Board's affairs as at 30 June 2018 and the results of operations for the year then ended.

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

Dated



Simon Cocker
Chief Executive Officer



Tracy Matthews
Chairperson

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Statement of Comprehensive Income for the Year ended 30 June 2018

	Notes	2018 \$	2017 \$
REVENUES			
	1.3		
Industry training levy	1.4	4,097,906	2,602,932
Interest		79,118	83,571
Other		75	10,769
Profit on disposal of assets		-	21,639
TOTAL REVENUES		4,177,099	2,718,911
EXPENSES			
	1.3		
Administration		181,274	159,400
Customer service		118,548	112,326
Communication & workforce development		174,097	119,448
Executive		328,771	313,405
Finance & accounting		126,070	182,869
Levy collection		73,547	74,781
Research & development		170,391	122,108
Training reimbursement		1,991,867	1,853,595
TOTAL EXPENSES	2	3,164,565	2,937,932
PROFIT/(LOSS) FOR THE YEAR		1,012,534	(219,021)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		1,012,534	(219,021)

The accompanying notes form part of these financial statements.

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Statement of Financial Position as at 30 June 2018

	Notes	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	1.5, 9	4,006,497	2,958,305
Receivables	1.5, 3	375,624	351,734
Prepayments		13,654	14,422
TOTAL CURRENT ASSETS		4,395,775	3,324,461
NON-CURRENT ASSETS			
Furniture, equipment, and vehicles	1.5,1.6, 4	38,960	49,033
Intangibles	1.5,1.6, 5	48,016	55,216
TOTAL NON-CURRENT ASSETS		86,976	104,249
TOTAL ASSETS		4,482,751	3,428,710
LIABILITIES			
CURRENT LIABILITIES			
Payables	1.7, 6	91,740	61,770
Employee benefits	1.8, 7	113,082	107,851
TOTAL CURRENT LIABILITIES		204,822	169,621
NON-CURRENT LIABILITIES			
Employee benefits	1.8, 7	31,396	25,090
TOTAL NON-CURRENT LIABILITIES		31,396	25,090
TOTAL LIABILITIES		236,218	194,711
NET ASSETS		4,246,533	3,233,999
EQUITY			
Accumulated Profits		4,246,533	3,233,999

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 2018

	Notes	2018 \$	2017 \$
Balance at beginning of financial year		3,233,999	3,453,020
Total comprehensive income for the year		1,012,534	(219,021)
Balance at the end of the financial year		4,246,533	3,233,999

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 2018

	Notes	2018 \$	2017 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts			
Industry training levy		4,069,064	2,563,267
Interest		90,670	21,256
Other		75	10,769
Goods and services tax received		221,154	213,145
		4,380,963	2,808,437
Payments			
Administration		(123,693)	(136,922)
Customer service		(119,494)	(112,095)
Communication & workforce development		(174,097)	(119,448)
Executive		(329,661)	(315,491)
Finance & accounting		(116,366)	(169,316)
Levy collection		(73,547)	(74,781)
Research & development		(168,444)	(122,476)
Training reimbursement		(1,991,867)	(1,853,595)
Goods and services tax paid		(227,754)	(211,376)
		(3,324,923)	(3,115,500)
Net cash used in operating activities	10	1,056,040	(307,063)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from the sale of furniture, equipment, and vehicles		-	22,727
Payments for purchase of furniture, equipment, and vehicles		(7,848)	(48,122)
Payment for intangibles		-	(57,603)
Net cash used in investing activities		(7,848)	(82,998)
Net increase (decrease) in cash held		1,048,192	(390,061)
Cash at the beginning of the year		2,958,305	3,348,366
Cash at end of reporting year	9	4,006,497	2,958,305

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 2018

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 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>

1.1 BASIS OF ACCOUNTING (CONTINUED)

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 2018

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 2018

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 leases premises for its headquarters. The lease is an operating lease and the lease payments are included in expenses in equal instalments over the accounting periods covered by the lease term.

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2018

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 and provision for employee entitlements.

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2018

2 EXPENSES

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

	2018	2017
	\$	\$
Salaries	473,930	489,026
Board member remuneration	104,130	109,941
Contracted staff	44,831	46,359
Consultants' fees	45,296	18,766
Superannuation and redundancy	57,595	62,261
Advertising and promotion	144,978	118,943
Website service agreement	9,000	-
Website development	20,119	505
Repairs and minor equipment	5,437	3,096
Course fees and expenses	1,991,867	1,853,595
Accommodation and travel	7,785	7,604
Audit and legal fees	17,369	16,192
Printing and stationery	6,889	7,628
Bank fees and charges	1,442	570
Collection charges	28,716	28,422
Heat, light and power	6,380	6,676
Insurance	9,175	9,586
Fringe benefits tax	8,797	8,703
Employee health and wellbeing	2,196	1,859
Office expenses	93,184	88,633
Postage and phone	35,942	22,114
Staff development	1,617	2,817
Board development	412	-
Vehicle expenses	3,079	3,538
Depreciation	17,921	20,715
Amortisation	7,200	2,387
Research and development projects	19,278	7,996
Total Expenses	3,164,565	2,937,932

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2018

		2018	2017
		\$	\$
3	RECEIVABLES		
	Interest	57,908	69,460
	Goods and services tax	74,818	68,218
	Industry training levy	242,898	214,056
	Total Receivables	375,624	351,734
4	FURNITURE, EQUIPMENT, AND VEHICLES		
	Furniture and equipment at cost	1.5 31,074	57,235
	Less provision for depreciation	1.6 (11,241)	(39,343)
		19,833	17,892
	Motor vehicles at cost	1.5 36,045	36,045
	Less provision for depreciation	1.6 (16,918)	(4,904)
		19,127	31,141
	Total at net book value	38,960	49,033
	Reconciliation of carrying amount:		
	Furniture and Equipment		
	Carrying amount at beginning of year	17,892	11,983
	Additions	7,848	12,077
	Depreciation	(5,907)	(6,168)
	Carrying amount at end of year	19,833	17,892
	Motor Vehicle		
	Carrying amount at beginning of year	31,141	10,731
	Additions	-	36,045
	Disposals	-	(1,088)
	Depreciation	(12,014)	(14,547)
	Carrying amount at end of year	19,127	31,141
	Total	38,960	49,033

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2018

		2018 \$	2017 \$
5	INTANGIBLES		
	Software	1.5	57,603
	Less provision for amortisation	1.6	(9,587)
	Total at net book value	48,016	55,216
	Reconciliation of carrying amount:		
	Software		
	Carrying amount at beginning of year	55,216	-
	Additions	-	57,603
	Amortisation	(7,200)	(2,387)
	Carrying amount at end of year	48,016	55,216
6	PAYABLES		
	Creditors	66,272	34,580
	Accrued salaries	14,292	14,024
	PAYG Withholding	11,176	13,166
	Total Payables	91,740	61,770
7	EMPLOYEE BENEFITS		
	Annual leave	51,776	50,691
	Long service leave	76,650	67,479
	Superannuation	16,052	14,771
	Total Employee Benefits	144,478	132,941
	Current	113,082	107,851
	Non-Current	31,396	25,090
		144,478	132,941

8 COMMITMENTS

8.1 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 2014 to 2018. The expected payments could be made up to 30th June 2022 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 2018 is \$989,200 (30 June 2017 \$967,000) and this assumes an apprenticeship attrition rate of twenty (20) percent.

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2018

8.2 LEASES

The lease for the Board's headquarters was renewed from 1 October 2016 and will expire on 30 September 2021. Lease payments for the financial year totaled \$79,305 (2017, \$75,996). There is no provision in the lease to make good the premises at the end of the lease.

	2018 \$	2017 \$
Lease commitments at balance date:		
Due within 1 year	80,395	78,819
1 to 5 years	175,768	256,163
	256,163	334,982

9 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. 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:

Cash & cash equivalents	306,497	158,305
Term deposits	3,700,000	2,800,000
Total cash & cash equivalents	4,006,497	2,958,305

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

Comprehensive income for the year	1,012,534	(219,021)
Depreciation & amortisation	25,121	23,102
Gain on sale of furniture, equipment and vehicles	-	(21,639)
Increase (Decrease) in payables	29,970	29,396
Increase (Decrease) in employee benefits	11,537	(17,599)
(Increase) decrease in receivables	(23,890)	(100,211)
(Increase) decrease in prepayments	768	(1,091)
	1,056,040	(307,063)

11 CREDIT STANDBY ARRANGEMENT WITH BANKS

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

12 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 2018 audit is \$16,280 (30 June 2017, \$14,730).

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2018

13 EVENTS OCCURRING AFTER BALANCE DATE

There have been no events subsequent to balance date which would have a material effect on the Board's Financial Statements as at 30 June 2018.

14 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 aggregate value of related party transactions and outstanding balances (if any) is as follows:

	2018 Aggregate value of transactions \$	30-Jun-2018 Total amount outstanding or committed \$
Course fees and expenses	9,207	-

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.

	Short Term Employee Benefits			Post Employment Benefits	LSL and A/L Movements	Total Compensation
	Salary	Travel Allowance	Vehicles	Superannuation		
2018						
Board Members						
Chairperson	18,441	878	-	1,752	-	21,071
Directors	80,133	-	-	7,613	-	87,746
8 Directors						
Total Board Members	98,574	878	-	9,365	-	108,817
Senior Management						
\$160,000 - \$180,000	136,188	-	14,383	17,024	(42)	167,553
1 Employee						
\$100,000 - \$120,000	205,209	-	-	25,521	7,779	238,509
2 Employees						
Total Senior Management	341,397	-	14,383	42,545	7,737	406,062



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 2018 and 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 by the Chairperson of the Board.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Board as at 30 June 2018, and of 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* (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.

...1 of 3

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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 has 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 the 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 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 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.

...2 of 3

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the 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.



James Hay
Senior Manager Financial Audit Services
Delegate of the Auditor-General

Tasmanian Audit Office

24 September 2018
Hobart

...3 of 3

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