

2016 - 2017 Annual Report

Tasmanian Building and
Construction Industry
Training Board



Funding quality training for the industry

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HIGHLIGHTS OF 2016-17

Facilitation of 1,522 training courses for 8,331 participants resulting in 145,878 contact hours of training.

Direct applications for funding for training from companies reached 1,279.



CENTRE FOR EXCELLENCE PROGRAMS

- Continuation of the Board's upskilling incentive program for experienced and mature aged industry members. A total of 52 industry members are still active in the program as at 30 June 2017.
- Implementation of the \$10,000 Bushfire Rebuilding Bonus. A total of 12 industry participants are in the program as at 30 June 2017.
- Continuation of the Certificate III Apprentice Completion Bonus Program to help address concerns about apprenticeship retention. A total of 13 industry participants are in the program as at 30 June 2017.
- 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 2,119 school students throughout the state through funding provided to Master Builders Tasmania for the Building and Construction Pathways 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 and building surveying.
- 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 2016-2017 in accordance with Section 34 of the *Building and Construction Industry Training Fund Act*.
- Published the State of the Industry Report 2017.

MESSAGE FROM THE CHAIRPERSON

The year 2016-17 has been an eventful year for the Board.

For 27 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 supported, promoted and financed skill and knowledge development through recognised training opportunities. In addition, the Board undertakes significant roles as, legislatively, the Minister's 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 January 1 changes to the Board's Act have updated the Board's role into the broader sphere of workforce development. The Board has responded with the development of industry modelling and a workforce development plan supported by action plans in identified priority areas. These changes also brought an increase to the Board's levy payment threshold from \$12,000 to \$20,000.

The Board collaborates with all industry participants to create a more productive, safer and career oriented industry.

In 2016-17, the Board facilitated 1,522 courses for 8,331 participants, an overall investment of \$1.85 million for courses and related expenses.

As at 30 June 2017, the Board has forward commitments and contingent liabilities of \$967,000 for apprenticeship programs through to 30 June 2021. 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 \$2.5 billion for at least the next two years.
- The need for more major projects in the north of the state has seen some improvement but continues to be a concern.
- The industry employed 21,300 as at December 2016, eight percent more than in June 2015 (19,700) and 22 percent more than in June 2014 (17,400). Because employment generally follows the trend in construction activity, the demand for workers in the south is expected to remain strong in the next two years. The industry employed 22,800 workers as at May 2017.
- Industry's capacity to train is directly linked to the availability of building and construction work. The industry employed 1,359 apprentices in 2015-2016 or 14 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.
- Non-completions of apprenticeships are still a concern (13 percent of the numbers in training in 2015-2016).
- While trends are improving, work safety continues to be a key focus with building and construction accounting for just over 7.7 percent of lost time injuries at an average cost of over \$13,815 per incident in 2016.

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 including activity levels, funding for training, quality of training, responsiveness of the training system, government training policies and career 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 2017-18 Training Plan in June 2016.

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.

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 users. Not only has the system simplified the process for industry it makes the lodgement of applications and claims available to industry on a twenty-four hours a day basis.

On behalf of the Board, I would like to thank Minister Groom for his support, and approval of the Board's Training Plans.

I also 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 Board would also like to thank the building and construction industry associations and practitioners for their continued support, collaboration and participation.

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 28th 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 quality training 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:

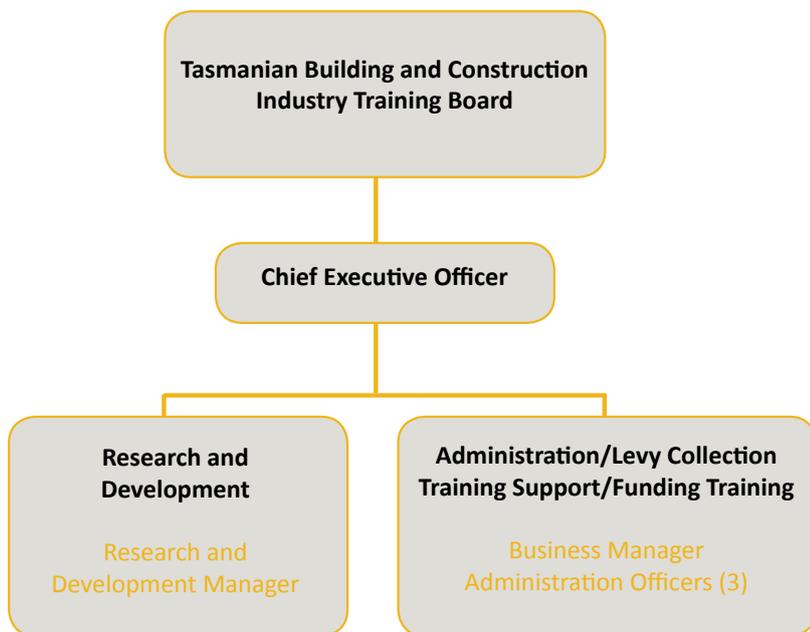
- Industry focused
- Respectful
- Ethical
- Transparent
- Consultative
- Collaborative

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 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.



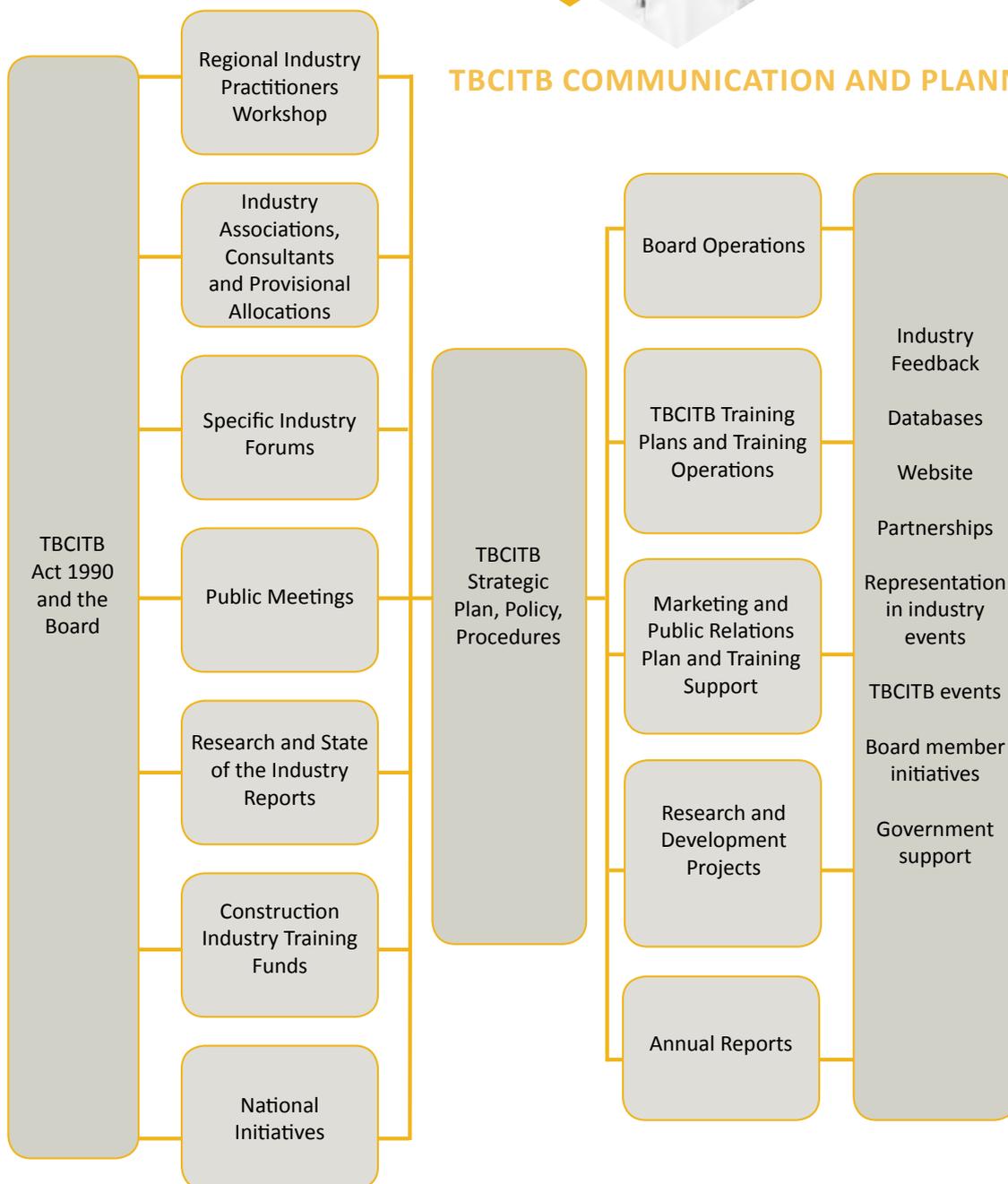
BOARD MEMBERSHIP

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 Craig Edmunds (Term Completed 30/3/17)
- Mr Ian Johnston (Commenced 31/3/17)
- Mr Richard Lowrie
- Dr Karin Mathison (Commenced 8/8/16)
- Ms Vonette Mead
- Mr Bob Mirowski (Resigned 9/12/16)
- Mr Michael Rogers (Commenced 31/3/17)
- Ms Joanna Siejka (Commenced 8/8/16)
- Ms Naomi Walsh (Commenced 8/8/16)
- Mr Allistair Lindsay (Term Completed 8/8/16)
- Ms Roz Madsen (Term Completed 8/8/16)



TBCITB COMMUNICATION AND PLANNING PROCESS



ACHIEVEMENTS AGAINST TBCITB STRATEGIC OBJECTIVES

TO ADVISE AND ADVOCATE TO THE MINISTER 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, 2017**. 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 payroll tax remains a key issue. The Board has remained open to discussions with the State Government about its decision to reintroduce the **payroll tax rebate for apprentices and trainees**.

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
- 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 SkillsDMC** 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 58 schools and 2,119 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 2017 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 sponsors the Regional Construction Apprentice of the Year 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 also endorsed the recommendations of its **Heritage Building and Construction Skills Report** into the demand for such skills in the industry. It has now implemented a program to encourage more heritage skills training.

The **Board's Careers Website** assists 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.

In accordance with Section 34 of the Act, the Board prepared and submitted its **Training Plan 2017-2018** to the Minister for Education and Skills. Highlights of the plan include:

- A training budget of \$2.4 million had been allocated to implement the plan.
- The plan targets some 9,820 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 Skills approved the Board's 2016-2017 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 2016-2017, the Board has facilitated **1,522 courses for 8,331 participants or 145,878 contact hours** from the industry training fund during the year.

The Board has been encouraging building and construction companies 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

497 courses for 1,902 participants totalling 28,266 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, Environment and Conservation
- Forklift
- Footings and Floor Systems
- Gasfitting and Refrigerants
- Heritage
- Plant Operator
- Plumbing Including Backflow
- Rigging
- Scaffolding
- Testing & Tagging
- Tie Downs & Bracing
- Timber Framing
- Waterproofing
- Welding, Repairs and Painting

WORKPLACE HEALTH AND SAFETY, FIRST AID AND HIGH RISK TRAINING

743 courses for 4,472 participants totalling 46,751 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
- 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

42 courses for 349 participants totalling 4,849 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

118 courses for 884 participants totalling 9,044 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 Payment.
- Finance, Tax and Estimating
- Industry Trends
- Management General
- Management (Specific)
- Marketing
- Quality Assurance/Audit

VOCATIONAL AND TERTIARY EDUCATION

122 courses for 724 participants totalling 56,968 contact hours. The Board has facilitated funding for the following courses to improve qualifications and skills of industry entrants and members:

- Building and Construction Training Program
- Building Degree
- Bushfire Rebuild Bonus
- Certificate Electrical, Air, 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

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). 29 new participants started training between 1 July 2016 and 30 June 2017. A total of 52 participants are still active in the program as at 30 June 2017.

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 2013 and March 2015. The bonus program was designed to help address concerns about apprenticeship retention. A total of 13 apprentices are in the program as at 30 June 2017.

The Board implemented a **\$10,000 Bushfire Rebuilding Bonus**. The Bonus applies to employers in the Sorell or Tasman municipalities who take on a new apprentice in eligible categories, and start their employment and training agreement between 1 March 2013 and 1 March 2014. A total of 12 participants are in the program as at 30 June 2017. Five participants have completed so far.

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 9 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.

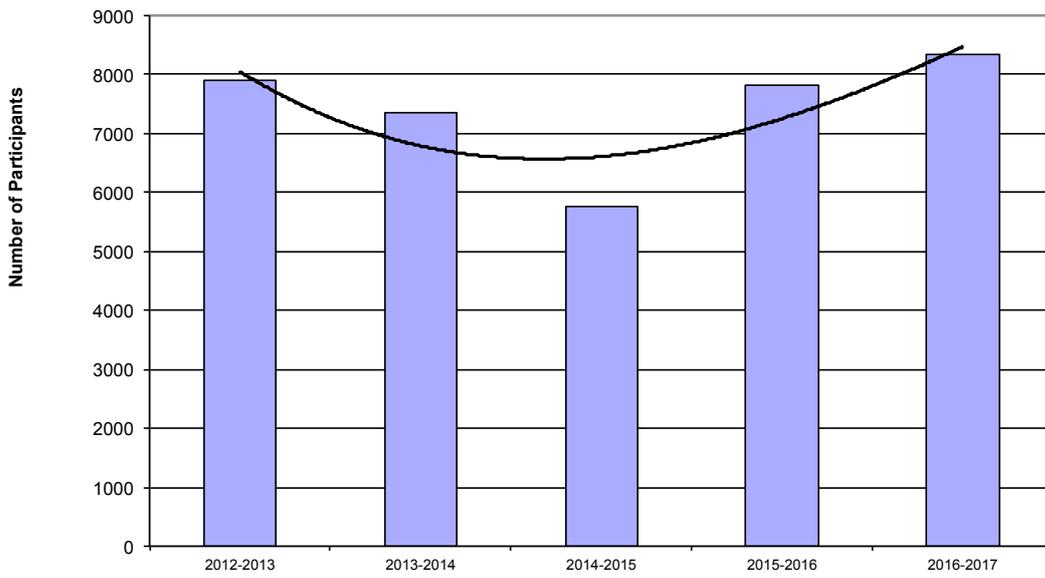
The Board's support continues to provide additional benefits to the students in Tasmania in comparison with the other students undertaking the Program. Evidence of this can be found in the low attrition rate, consistent tutorial attendance and the generally high marks attained by Tasmanian students.

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.

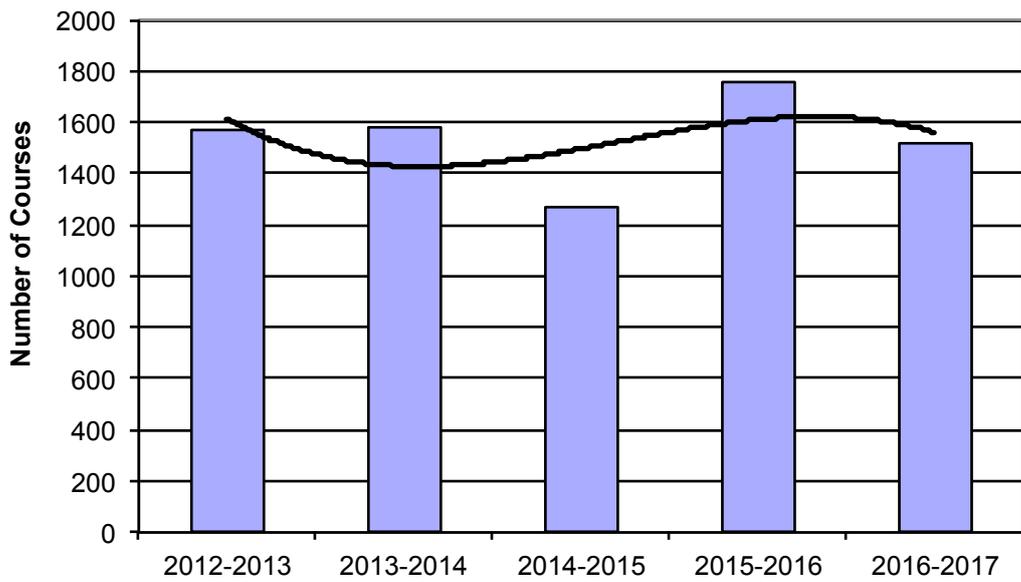




PARTICIPATION IN TRAINING FUNDED BY THE TBCITB



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 Hobart in October 2016** 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 practitioners workshops in May 2016** 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. 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 3,945 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
2012-13	1,357
2013-14	1,423
2014-15	1,232
2015-16	1,535
2016-17	1,279

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 payment of 0.2 percent of the estimated value of building and construction work costing more than \$20,000. The levy threshold was previously \$12,000 but raised to \$20,000 as a result of a change in the Act effective 1 January 2017. The 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** has 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 October 2016. 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)
Mr Craig Edmunds (Term Completed 30/3/17)	3 out of 4
Ms Roz Madsen (Term Completed 8/8/16)	0 out of 1
Mr Alistair Lindsay (Term Completed 8/8/16)	1 out of 1
Ms Tracy Matthews	5 out of 5
Ms Vonette Mead	5 out of 5
Mr Bob Mirowski (Resigned 9/12/16)	1 out of 3
Mr Richard Lowrie	5 out of 5
Mr Ted Bell	5 out of 5
Ms Joanna Siejka (Commenced 8/8/16)	3 out of 4
Ms Karin Mathison (Commenced 8/8/16)	3 out of 4
Ms Naomi Walsh (Commenced 8/8/16)	4 out of 4
Mr Michael Rogers (Commenced 31/3/17)	0 out of 1
Mr Ian Johnston (Commenced 31/3/17)	1 out of 1





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 2017

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Certification of Financial Statements

The accompanying special purpose Financial Statements of Tasmanian Building and Construction Industry Training Board is in agreement with the relevant accounts and records and has been prepared in compliance with the *Building and Construction Industry Training Fund Act 1990* to present fairly the financial transactions for the year ended 30 June 2017 and the financial position as at year end.

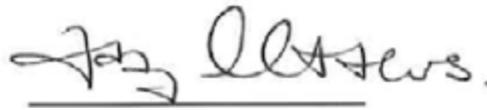
The attached statements and notes thereon to the best of our knowledge and belief presents fairly the state of the Tasmanian Building and Construction Industry Training Board's affairs as at 30 June 2017 and the results of operations for the year then ended.

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

Dated 27th of September 2017



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 2017

	Notes	2017 \$	2016 \$
REVENUES			
	1.3		
Industry training levy	1.4	2,602,932	3,163,508
Interest		83,571	78,816
Other		10,769	7,444
Profit on disposal of assets		21,639	-
TOTAL REVENUES		2,718,911	3,249,768
EXPENSES			
	1.3		
Administration		271,726	198,479
Communication & workforce development		119,448	155,262
Executive		313,405	312,966
Finance & accounting		182,869	176,283
Levy collection		74,781	88,674
Research & development		122,108	165,828
Training reimbursement		1,853,595	1,713,968
TOTAL EXPENSES	2	2,937,932	2,811,460
PROFIT/(LOSS) FOR THE YEAR		(219,021)	438,308
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		(219,021)	438,308

The accompanying notes form part of these financial statements.

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Statement of Financial Position as at 30 June 2017

	Notes	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	1.5, 9	2,958,305	3,348,366
Receivables	1.5, 3	351,734	251,523
Prepayments		14,422	13,331
TOTAL CURRENT ASSETS		3,324,461	3,613,220
NON-CURRENT ASSETS			
Furniture, equipment, and vehicles	1.5,1.6, 4	49,033	22,714
Intangibles	1.5,1.6, 5	55,216	-
TOTAL NON-CURRENT ASSETS		104,249	22,714
TOTAL ASSETS		3,428,710	3,635,934
LIABILITIES			
CURRENT LIABILITIES			
Payables	1.7, 6	61,770	32,374
Employee benefits	1.8, 7	107,851	112,260
TOTAL CURRENT LIABILITIES		169,621	144,634
NON-CURRENT LIABILITIES			
Employee benefits	1.8, 7	25,090	38,280
TOTAL NON-CURRENT LIABILITIES		25,090	38,280
TOTAL LIABILITIES		194,711	182,914
NET ASSETS		3,233,999	3,453,020
EQUITY			
Accumulated Profits		3,233,999	3,453,020

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 2017

	Notes	2017 \$	2016 \$
Balance at beginning of financial year		3,453,020	3,044,094
Opening balance adjustment	1.15	-	(29,382)
Total comprehensive income for the year		(219,021)	438,308
Balance at the end of the financial year		3,233,999	3,453,020

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 2017

	Notes	2017 \$	2016 \$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts			
Industry training levy		2,563,267	3,224,987
Interest		21,256	97,869
Other		10,769	7,444
Goods and services tax received		213,145	197,833
		2,808,437	3,528,133
Payments			
Administration		(249,017)	(214,491)
Communication & workforce development		(119,448)	(155,262)
Executive		(315,491)	(294,246)
Finance & accounting		(169,316)	(171,099)
Levy collection		(74,781)	(88,674)
Research & development		(122,476)	(154,578)
Training reimbursement		(1,853,595)	(1,705,285)
Goods and services tax paid		(211,376)	(200,939)
		(3,115,500)	(2,984,574)
Net cash used in operating activities	10	(307,063)	543,559
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Payments for purchase of furniture, equipment, and vehicles		22,727	-
Proceeds from the sale of furniture, equipment, and vehicles		(48,122)	(8,960)
Payment for intangibles		(57,603)	-
Net cash used in investing activities		(82,998)	(8,960)
Net increase (decrease) in cash held		(390,061)	534,599
Cash at the beginning of the year		3,348,366	2,813,767
Cash at end of reporting year	9	2,958,305	3,348,366

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 2017

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. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

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>

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.

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

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 apart from enhanced related party disclosures.

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2017

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.

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

1.6 DEPRECIATION

Items of office furniture and 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	4 – 20 years
Software	8 years

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

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2017

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 2017

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.

1.15 PRIOR PERIOD ADJUSTMENTS

During the financial year it was identified there was an error in the calculation of the interest accrual for the years ended 30 June 2015 and 30 June 2016.

A full assessment has been completed as to the financial impact of the error which has resulted in the following entry being adjusted in the comparative year in accordance with *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*.

	30 June 2016	30 June 2016	Adjustment
Statement of Financial Position:			
Opening Equity 1 July 2015	3,044,094	(29,382)	3,014,712
Receivables	286,337	(34,814)	251,523
Closing Equity 30 June 2016	3,487,834	(34,814)	3,453,020
Statement of Comprehensive Income:			
Interest	84,248	(5,432)	78,816

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2017

2 EXPENSES

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

	2017	2016
	\$	\$
Salaries	489,026	409,430
Board member remuneration	109,941	88,782
Contracted staff	46,359	88,674
Consultants' fees	18,766	23,452
Superannuation and redundancy	62,261	74,606
Advertising and promotion	118,943	130,337
Website development	505	20,079
Repairs and minor equipment	3,096	4,523
Course fees and expenses	1,853,595	1,713,967
Accommodation and travel	7,604	26,745
Audit and legal fees	16,192	16,195
Printing and stationery	7,628	6,738
Bank and collection charges	28,992	33,529
Heat, light and power	6,676	6,991
Insurance	9,586	8,420
Fringe benefits tax	8,703	8,439
Employee health and wellbeing	1,859	1,389
Office expenses	88,633	87,282
Postage and phone	22,114	35,575
Staff development	2,817	3,023
Vehicle expenses	3,538	3,016
Depreciation	20,715	20,268
Amortisation	2,387	-
Research and development projects	7,996	-
Total Expenses	2,937,932	2,811,460

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2017

		2017	2016
		\$	\$
3	RECEIVABLES		
	Interest	69,460	7,145
	Goods and services tax	68,218	69,987
	Industry training levy	214,056	174,391
	Total Receivables	351,734	251,523

4 FURNITURE, EQUIPMENT, AND VEHICLES

	Furniture and equipment at cost	1.5	57,235	45,158
	Less provision for depreciation	1.6	(39,343)	(33,175)
			17,892	11,983
	Motor vehicles at cost	1.5	36,045	39,848
	Less provision for depreciation	1.6	(4,904)	(29,117)
			31,141	10,731
	Total at net book value		49,033	22,714

Reconciliation of carrying amount:

	Furniture and Equipment			
	Carrying amount at beginning of year		11,983	10,010
	Additions		12,077	8,960
	Depreciation		(6,168)	(6,987)
	Carrying amount at end of year		17,892	11,983
	Motor Vehicle			
	Carrying amount at beginning of year		10,731	24,012
	Additions		36,045	-
	Disposals		(1,088)	-
	Depreciation		(14,547)	(13,281)
	Carrying amount at end of year		31,141	10,731
	Total		49,033	22,714

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2017

		2017 \$	2016 \$
5	INTANGIBLES		
	Software	1.5	57,603
	Less provision for amortisation	1.6	(2,387)
	Total at net book value	55,216	-
	Reconciliation of carrying amount:		
	Software		
	Carrying amount at beginning of year	-	-
	Additions	57,603	-
	Amortisation	(2,387)	-
	Carrying amount at end of year	55,216	-
6	PAYABLES		
	Creditors	34,580	18,525
	Accrued salaries	14,024	13,849
	PAYG Withholding	13,166	-
	Total Payables	61,770	32,374
7	EMPLOYEE BENEFITS		
	Annual leave	50,691	58,870
	Long service leave	67,479	74,942
	Superannuation	14,771	16,728
	Total Employee Benefits	132,941	150,540
	Current	107,851	112,260
	Non-Current	25,090	38,280
		132,941	150,540

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 2007 to 2017. The expected payments could be made up to 30th June 2020 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 2017 is \$967,000 (30 June 2016 \$1,009,000) 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 2017

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 \$75,996 (2016, \$67,523). There is no provision in the lease to make good the premises at the end of the lease.

	2017 \$	2016 \$
Lease commitments at balance date:		
Due within 1 year	78,819	16,881
1 to 5 years	256,163	-
	334,982	16,881

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, with a maturity of 3 months or less. 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	158,305	40,238
Term deposits	2,800,000	3,308,128
Total cash & cash equivalents	2,958,305	3,348,366

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

Comprehensive income for the year	(219,021)	438,308
Depreciation & amortisation	23,102	20,268
Gain on sale of furniture, equipment and vehicles	(21,639)	-
Increase (Decrease) in payables	29,396	(36,487)
Increase (Decrease) in employee benefits	(17,599)	43,837
(Increase) decrease in receivables	(100,211)	77,426
(Increase) decrease in prepayments	(1,091)	207
	(307,063)	543,559

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 2017 audit is \$14,730 (30 June 2016, \$13,950).

TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to and forming part of the Accounts for the Year ended 30 June 2017

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 2017.

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:

	2017 Aggregate value of transactions \$	30-Jun-17 Total amount outstanding or committed \$
Course fees and expenses	6,464	-

No other KMPs 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.

2017	Short Term Employee Benefits			Post Employment Benefits	LSL and A/L Movements	Total Compensation
	Salary	Travel Allowance	Vehicles	Superannuation		
Board Members						
Chairperson	18,258	149	-	1,734	-	20,141
Directors	74,858	168	-	7,111	-	82,137
	93,116	317	-	8,845		102,278
Senior Management						
\$160,000-\$180,000	131,354	-	16,260	16,419	(1,073)	162,960
1 Employee						
\$100,000-\$120,000	198,253	-	-	24,782	3,265	226,300
2 Employees						
	329,607	-	16,260	41,201	2,192	389,260



Independent Auditor's Report

To Members of Parliament

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 2017 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 2017, 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.

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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 Members of the Board for the Financial Report

The members of the Board are 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, the members of the Board are 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.

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.

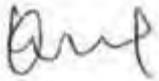
As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of the Board.

...2 of 3

- Conclude on the appropriateness of the use by the members of the Board 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.



Minyan Qiu
Acting Group Leader Financial Audit
Delegate of the Auditor-General

Tasmanian Audit Office

28 September 2017
Hobart

...3 of 3

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