

# 2015 - 2016 Annual Report

Tasmanian Building and  
Construction Industry  
Training Board



Funding quality training for the industry

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### HIGHLIGHTS OF 2015-16

Facilitation of 1,760 training courses for 7,814 participants.  
resulting in 145,165 contact hours of training.  
Direct applications for funding for training from companies reached 1,535.



### CENTRE FOR EXCELLENCE PROGRAMS

- Continuation of the Board's apprentice incentive program. A total of 9 apprentices are still active in the program as at 30 June 2016.
- Continuation of the Board's upskilling incentive program for experienced and mature aged industry members. A total of 61 industry members are still active in the program as at 30 June 2016.
- Implementation of the \$10,000 Bushfire Rebuilding Bonus. A total of 14 industry participants are in the program as at 30 June 2016.
- 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 2016.
- 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 2,162 school students throughout the state through funding provided to Master Builders Tasmania for the Building and Construction Pathways Project.
- Implementation of the Board's Memorandum of Understanding with the Department of State Growth.
- Establishment of a memorandum of understanding with the Oatlands Heritage Education and Skills Centre.
- Development 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 a forum for industry associations.
- 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.
- Submission of the Training Plan for 2015-2016 in accordance with Section 34 of the *Building and Construction Industry Training Fund Act*.
- Published the State of the Industry Report 2016.





## MESSAGE FROM THE CHAIRPERSON

The year 2015-16 has been a busy year for the Board.

For 26 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 advisor on matters relating to skill requirements and training arrangements for 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).

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

In 2015-16, the Board facilitated 1,760 courses for 7,814 participants, an overall investment of \$1.83 million for courses and related expenses.

As at 30 June 2016, the Board has forward commitments and contingent liabilities of \$1.01 million for apprenticeship programs through to 30 June 2020. These commitments and liabilities are fully funded.

While 2015/16 has seen a boost in work in the South the recent past state of the industry saw apprenticeships decline and non completions increase. This is a natural, albeit unfortunate, result of the low levels of demand and activity generally in the industry. The Board, however, continued to offer carefully targeted incentive programs to encourage apprenticeships, particularly to respond to predicted growth of activity over the next few years.

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

- While the Tasmanian building and construction industry is continuing to experience a challenging environment, activity levels are expected to improve in the next two years from \$2.38 to \$2.45 billion.
- The need for more major projects in the north of the state continues to be a concern.
- The industry employed 21,600 as at November 2015 (up by 17 percent from November 2014). Because employment generally follows the trend in construction activity, an increase in jobs in the south can be expected in the next two years.
- Industry's capacity to train is directly linked to the availability of building and construction work. The industry employed 1,195 apprentices in 2014-2015 or 6 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 (14 percent of the numbers in training in 2014-2015).

- While trends are improving, work safety continues to be a key focus with building and construction accounting for just over 7 percent of lost time injuries at an average cost of over \$14,973 per incident in 2015.

The Board continues to provide advice to the Government about the policies which impact upon 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 and government training policies.

The Board has been implementing its strategic plan for 2015-18. 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 2015-16 Training Plan in August 2015.



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 have jointly established BIMHub to ensure that Tasmanian practitioners remain competitive in the face of the technological change that building information modelling or BIM is bringing to the sector. The Board is focusing on

industry capabilities and its readiness for the uptake of information and communication technologies including BIM.

For 2015-18, 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 priorities are its role as principal adviser to the Minister, the independent voice on training in the industry, career pathways and entry level training, and marketing of the Board and its services and opportunities to the building and construction industry.

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.

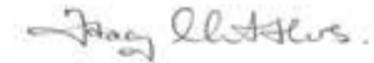
With some major initiatives by the Australian and Tasmanian Governments in infrastructure and some commercial development projects, the need for the industry to plan for its employment and skill needs into the future is essential. The Board will continue to work with industry to ensure that the training levy funds are best targeted to meet their future needs.

On behalf of the Board, I would like to thank Minister Groom for his support, and approval of the 2015-16 Training Plan.

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 cannot succeed without the collaboration and support of the building and construction industry

associations and practitioners. Without working in partnership, this past year's achievements would not be possible and future year's targets could not be made possible.

Training and development needs of the building and construction industry have been the Board's foremost concern and will continue to be so as we move into the 27th year of operation, a year of high expectations for 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's strategic priorities are:

- Principal Adviser role
- The independent voice on training in the industry
- Career pathways and entry level training
- Marketing of the Board and its services and opportunities to the building and construction industry

The Board recognises that there are many stakeholders who make contributions to training 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 for State Growth on all matters relating to training 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 in the building and construction industry; to promote the Board, and its aims and activities, to the building and construction industry.
- To ensure that all training provided is in respect of skills formation approved by the Board.
- To review and evaluate existing training programs to determine whether they meet the training and skill requirements of the building and construction industry; to liaise with appropriate training organisations and other bodies; to advise on, and coordinate, training resources.
- To ensure that principles of equal opportunity are applied to training in the building and construction industry.
- To increase productivity, career opportunities and work safety in the building and construction industry through training.
- To provide access to employment related training provided by employers in the building and construction industry.
- To ensure a more equitable distribution of effort amongst employers in relation to employment related training in the building and construction industry.
- To provide training programs to improve the skills and knowledge of builders in the building and construction industry.

Changes to these objectives are currently before State Parliament.

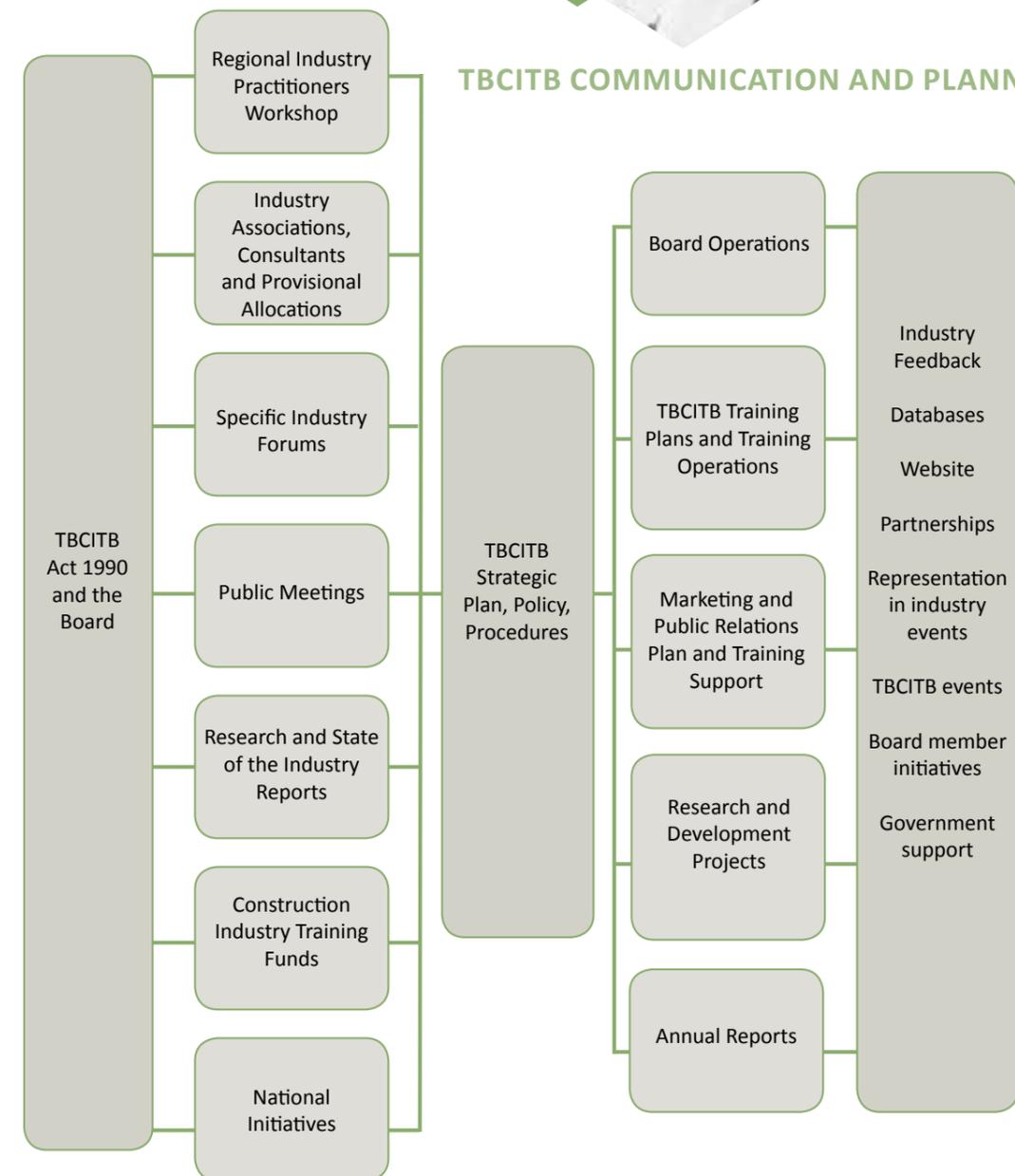


## BOARD MEMBERSHIP

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
- Mr Richard Lowrie
- Ms Roz Madsen
- Ms Vonette Mead
- Mr Bob Mirowski
- Mr Allistair Lindsay

## 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, 2016**. 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 cease the **payroll tax rebate for apprentices and trainees**.

Regarding the **Continuing Professional Development for Building and Construction Professionals**, the Board resolved on 21 February 2011 that the intention of the Act is that the cost of professional fees only be included in the value for levy purposes where those costs are incurred due to building and construction work occurring on a site and relate to issues on that site. The Board has consulted with Skills Tasmania on that opinion.

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.
- Building Information Modelling
- National Construction Training Packages.
- National industry training advisory issues.

The Board has entered into 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.

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 52 schools and 2,162 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 2016 competitions. Categories included bricklaying, cabinetmaking, carpentry, detailed joinery, electrical installation, 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 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 a link to the Australian Government's online Job Guide. The site provides information on apprenticeships, learning pathways and career advice.

The Board's website at [www.tbcitb.com.au](http://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 Training and Applications page with downloadable application and evaluation forms.
- Information on the Act and the training fund.
- List of courses funded by the Board.
- A building and construction careers link.
- Information on how to employ an apprentice
- Information about the Board.
- Information on the Right to Information Act.
- Copies of Board publications.

## TO LEAD WORKFORCE DEVELOPMENT FOR THE BUILDING AND CONSTRUCTION INDUSTRY

In accordance with Section 34 of the Act, the Board prepared and submitted its **Training Plan 2016-2017** to the Minister for Education and Skills. Highlights of the plan include:

- A training budget of \$2.1 million had been allocated to implement the plan.
- The plan targets some 8,470 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 2015-2016 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 2015-2016, the Board has facilitated **1,760 courses for 7,814 participants or 145,165 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

**477 courses for 1,381 participants totalling 25,623 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.
- Elevating Work Platforms.
- Energy, Environment and Conservation.
- Forklift.
- Gasfitting and Refrigerants.
- Heritage.
- Plans, Property and Surveying.
- Plant Operator.
- Plumbing Including Backflow.
- Rigging.
- Scaffolding.
- Testing & Tagging.
- Tie Downs & Bracing.
- Timber Framing.
- Waterproofing.
- Welding, Jointing, Turning.

## WORKPLACE HEALTH AND SAFETY, FIRST AID AND HIGH RISK TRAINING

**878 courses for 4,105 participants totalling 43,620 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.
- 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

**118 courses for 345 participants totalling 4,863 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

**121 courses for 1050 participants totalling 9,467 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.
- Environmental, Auditor and Management.
- Finance, Tax and Estimating.
- Industry Trends
- Management General.
- Management (Specific).
- Project Management.
- Quality Assurance/Audit.

## VOCATIONAL AND TERTIARY EDUCATION

**166 courses for 933 participants totalling 61,592 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.
- Business Degree.
- Bushfire Rebuild Bonus.
- Certificate Electrical, Air, Lights.
- Certificate II Air Conditioning.
- Certificate III Telecommunications.
- Certificate IV Building.
- Certificate IV/Diploma Accounting and Business.
- Certificate IV/Diploma Building.
- Certificate IV/Diploma Design and Drafting.
- Certificate IV/Diploma Environment.
- Certificate IV/Diploma Project Management.
- Certificate IV/Diploma OHS.
- Certificate IV/Diploma Project Management.
- 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 **Building and Construction Apprentice Incentive Program** to encourage the employment of apprentices in the building and construction industry. The Program targeted Certificate III in bituminous surfacing, bricklaying, civil construction, concreting, floor and wall tiling, mechanical services plumbing, mobile crane operation, pipelaying, plant operators, road construction and maintenance, road marking, roof plumbing, roof tiling, sign writing, solid plastering, sprinkler fitting and stonemasonry. Under the Program, employers must have started the apprentice employment and training agreement between 1 March 2012 and 30 November 2012. A total of 9 apprentices are still active in the program as at 30 June 2016.

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) and he or she started training between 1 July 2015 and 30 June 2016. A total of 61 industry participants are still active in the program as at 30 June 2016.

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 2016.

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 14 industry participants are in the program as at 30 June 2016.

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.

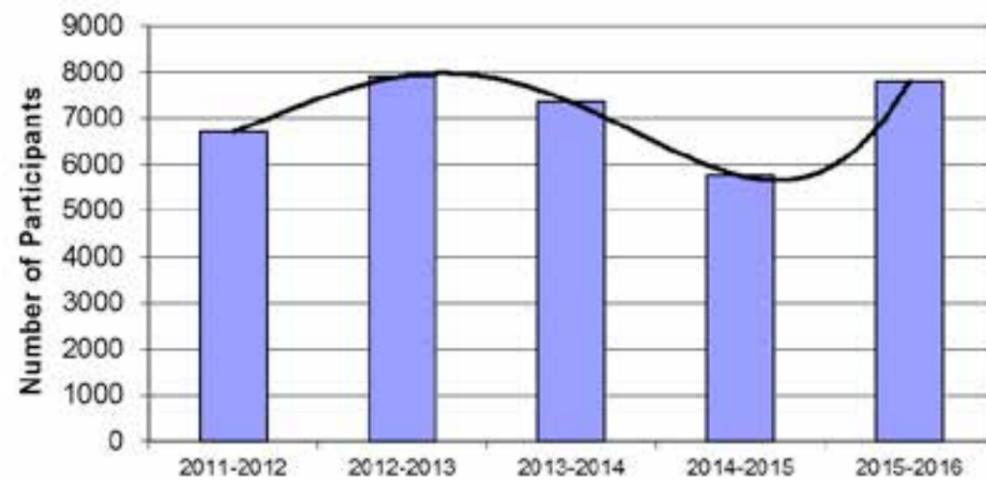
The Board's support continues to provide additional benefits to the students in Tasmania in comparison with the other students undertaking the Program. Evidence of this can be found in the low attrition rate, consistent tutorial attendance and the generally high marks attained by Tasmanian students.

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.

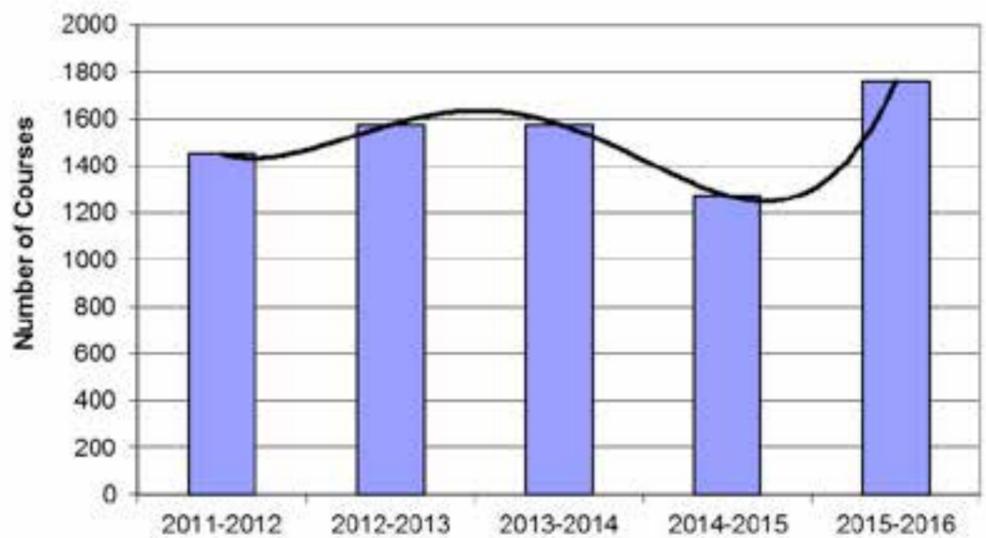




PARTICIPATION IN TRAINING FUNDED BY THE TBCITB



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 Launceston in September 2015** 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.

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.

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 3,903 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 Builders 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
2011-12	1,326
2012-13	1,357
2013-14	1,423
2014-15	1,232
2015-16	1,535

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 \$12,000. 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** 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 September 2015. 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 6 Board Meetings including the Annual General Meeting)
Mr Craig Edmunds	6 out of 6
Ms Roz Madsen	6 out of 6
Mr Alistair Lindsay	5 out of 6
Ms Tracy Matthews	6 out of 6
Ms Vonette Mead (Commenced 11/2/2016)	1 out of 1
Mr Bob Mirowski	5 out of 6
Mr Richard Lowrie	6 out of 6
Mr Ted Bell	3 out of 3

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 2016



**TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD**

Statement of Comprehensive Income for the Year ended 30 June 2016

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 2016 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 *26<sup>th</sup> August 2016.*

**Simon Cocker**  
Chief Executive Office

**Tracy Matthews**  
Chairperson

	Notes	2016 \$	2015 \$
<b>REVENUES</b>	1.3		
Industry training levy	1.4	3,163,508	2,890,899
Interest		84,248	105,328
Other		7,444	18,460
Profit on disposal of assets		-	9,950
<b>TOTAL REVENUES</b>		<b>3,255,200</b>	<b>3,024,637</b>
<b>EXPENSES</b>	1.3		
Administration		554,777	527,402
Training programs		1,841,302	1,651,824
Training support		224,234	238,637
Research and Development		191,147	178,967
<b>TOTAL EXPENSES</b>	2	<b>2,811,460</b>	<b>2,596,830</b>
<b>PROFIT FOR THE YEAR</b>		<b>443,740</b>	<b>427,807</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>443,740</b>	<b>427,807</b>

## TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Statement of Financial Position as at 30 June 2016

	Notes	2016 \$	2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	1.5, 8	40,238	3,073
Term deposits	1.5, 8	3,308,128	2,810,694
Receivables	1.5, 3	286,337	358,331
Prepayments		13,331	13,538
<b>TOTAL CURRENT ASSETS</b>		<b>3,648,034</b>	<b>3,185,636</b>
<b>NON-CURRENT ASSETS</b>			
Furniture, equipment, and vehicles	1.5,1.6, 4	22,714	34,022
<b>TOTAL NON-CURRENT ASSETS</b>		<b>22,714</b>	<b>34,022</b>
<b>TOTAL ASSETS</b>		<b>3,670,748</b>	<b>3,219,658</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	1.7, 5	32,374	68,861
Employee benefits	1.8, 6	112,260	78,495
<b>TOTAL CURRENT LIABILITIES</b>		<b>144,634</b>	<b>147,356</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	1.8, 6	38,280	28,208
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>38,280</b>	<b>28,208</b>
<b>TOTAL LIABILITIES</b>		<b>182,914</b>	<b>175,564</b>
<b>NET ASSETS</b>		<b>3,487,834</b>	<b>3,044,094</b>
<b>EQUITY</b>			
Accumulated Profits		3,487,834	3,044,094

## TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Statement of Changes in Equity for Year ended 30 June 2016

	2016 \$	2015 \$
Balance at beginning of financial year	3,044,094	2,616,287
Total comprehensive income for the year	443,740	427,807
<b>Balance at the end of the financial year</b>	<b>3,487,834</b>	<b>3,044,094</b>

## TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Statement of Cash Flows for the Year ended 30 June 2016

	Notes	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Industry training levy		3,224,987	2,846,893
Interest		97,869	78,446
Other		7,444	20,096
Goods and services tax received		197,833	204,037
		3,528,133	3,149,472
<b>Payments</b>			
Administration		(553,360)	(574,561)
Training programs		(1,832,189)	(1,659,069)
Training support		(218,620)	(239,604)
Research and development		(179,466)	(212,056)
Goods and services tax paid		(200,939)	(189,340)
		(2,984,574)	(2,874,630)
Net cash used in operating activities	9	543,559	274,842
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of furniture, equipment, and vehicles		(8,960)	-
Proceeds from the sale of furniture, equipment, and vehicles		-	9,950
Net cash used in investing activities		(8,960)	9,950
Net increase (decrease) in cash held		534,599	284,792
Cash at the beginning of the year		2,813,767	2,528,975
Cash at end of reporting year	8	3,348,366	2,813,767

## TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to & forming part of the Accounts for the Year ended 30 June 2016

### 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	Presentation of Financial Statements
AASB 107	Statement of Cash Flows
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110	Events after Balance Sheet Date
AASB 116	Property, Plant and Equipment
AASB 119	Employee Benefits
AASB 137	Provisions, Contingent Liabilities and Contingent Assets
AASB 1004	Contributions
AASB 1031	Materiality
AASB 1048	Interpretation of Standards

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 & forming part of the Accounts for the Year ended 30 June 2016

### 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.

## TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to & forming part of the Accounts for the Year ended 30 June 2016

### 1.6 DEPRECIATION

Items of office furniture and equipment, and motor vehicles are depreciated 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 & Equipment	4 – 20 years

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

### 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.

## TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to & forming part of the Accounts for the Year ended 30 June 2016

### 1.10 COMPARATIVE FIGURES

Comparative figures are shown and there have been no adjustments 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.

### 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 & forming part of the Accounts for the Year ended 30 June 2016

## 2 EXPENSES

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

	2016 \$	2015 \$
Salaries	409,430	237,892
Board member remuneration	88,782	125,443
Contracted staff	88,674	-
Consultants' fees	23,452	230,498
Superannuation and redundancy	74,606	93,915
Advertising and promotion	130,337	127,260
Website development	20,079	15,477
Repairs and minor equipment	4,523	1,865
Course fees and expenses	1,713,967	1,533,498
Accommodation and travel	26,745	16,140
Audit and legal fees	16,195	14,547
Printing and stationery	6,738	7,723
Bank and collection charges	33,529	33,245
Heat, light and power	6,991	6,367
Insurance	8,420	7,582
Fringe benefits tax	8,439	9,101
Employee health and wellbeing	1,389	-
Office expenses	87,282	90,667
Postage and phone	35,575	20,383
Staff development	3,023	2,798
Vehicle expenses	3,016	3,517
Depreciation	20,268	18,912
<b>Total Expenses</b>	<b>2,811,460</b>	<b>2,596,830</b>

## TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to & forming part of the Accounts for the Year ended 30 June 2016

		2016 \$	2015 \$
<b>3</b>	<b>RECEIVABLES</b>		
	Interest	41,959	55,580
	Goods and services tax	69,987	66,881
	Industry training levy	174,391	235,870
	<b>Total Receivables</b>	<b>286,337</b>	<b>358,331</b>
<b>4</b>	<b>FURNITURE, EQUIPMENT, AND VEHICLES</b>		
	Furniture and equipment at cost	1.5 45,158	36,198
	Less provision for depreciation	1.6 (33,175)	(26,188)
		<b>11,983</b>	<b>10,010</b>
	Motor vehicles at cost	1.5 39,848	39,848
	Less provision for depreciation	1.6 (29,117)	(15,836)
		<b>10,731</b>	<b>24,012</b>
	<b>Total at net book value</b>	<b>22,714</b>	<b>34,022</b>
	<b>Reconciliation of carrying amount:</b>		
	Furniture and Equipment		
	Carrying amount at beginning of year	10,010	15,641
	Additions	8,960	-
	Depreciation	(6,987)	(5,631)
	Carrying amount at end of year	<b>11,983</b>	<b>10,010</b>
	Motor Vehicle		
	Carrying amount at beginning of year	24,012	37,293
	Depreciation	(13,281)	(13,281)
	Carrying amount at end of year	<b>10,731</b>	<b>24,012</b>
	<b>Total</b>	<b>22,714</b>	<b>34,022</b>
<b>5</b>	<b>PAYABLES</b>		
	Creditors	18,525	62,093
	Accrued salaries	13,849	6,768
	<b>Total Payables</b>	<b>32,374</b>	<b>68,861</b>

## TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to & forming part of the Accounts for the Year ended 30 June 2016

	2016 \$	2015 \$
<b>6</b>	<b>EMPLOYEE BENEFITS</b>	
	Annual leave	58,870
	Long service leave	74,942
	Superannuation	16,728
	<b>Total Employee Benefits</b>	<b>150,540</b>
	Current	112,260
	Non-Current	38,280
		<b>150,540</b>

## 7 COMMITMENTS

### 7.1 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 2016. 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 2016 is \$1,009,000 (30 June 2015 \$1,020,000) and this assumes an apprenticeship attrition rate of twenty (20) percent.

### 7.2 LEASES

The lease for the Board's headquarters was renewed from 1 October 2011 and will expire on 30 September 2016. Lease payments for the financial year totaled \$67,523 (2015, \$67,523). There is no provision in the lease to make good the premises at the end of the lease.

	2016 \$	2015 \$
Lease commitments at balance date:		
Due within 1 year	16,881	67,523
1 to 5 years	-	16,881
	<b>16,881</b>	<b>84,404</b>

## TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to & forming part of the Accounts for the Year ended 30 June 2016

	2016 \$	2015 \$
<b>8 RECONCILIATION OF CASH</b>		
For the purposes of the Statement of Cash Flows, the Board considers cash to include cash in hand and in banks and term deposits. 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	40,238	3,073
Term deposits	3,308,128	2,810,694
	3,348,366	2,813,767

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

Comprehensive profit for the year	443,740	427,807
Depreciation	20,268	18,912
Gain on sale of furniture, equipment and vehicles	-	(9,950)
Increase (Decrease) in payables	(36,487)	(19,779)
Increase (Decrease) in employee benefits	43,837	(88,799)
(Increase) decrease in prepayments and receivables	72,201	(53,349)
Net cash used in operating activities	543,559	274,842

## 10 CREDIT STANDBY ARRANGEMENT WITH BANKS

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

## 11 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 2016 audit is \$13,950 (30th June 2015, \$13,880).

## 12 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 2016.

## TASMANIAN BUILDING AND CONSTRUCTION INDUSTRY TRAINING BOARD

Notes to & forming part of the Accounts for the Year ended 30 June 2016

## 13 RELATED PARTY TRANSACTIONS

During the year related party transactions incurred with Fairbrother Pty Ltd and Master Builders Association of Tasmania to provide funding for Cert IV and diploma of building constructions programs and industry related training. Craig Edmunds, who is a board member, is also the GM of Fairbrother Pty Ltd and President of Master Builders Association of Tasmania. Vonette Mead and Bob Mirowski are both board members of Tasmanian Building and Construction Industry Training Board and are directors of Mead Construction and A.H. Developments Pty Ltd respectively. Details of transactions between Tasmanian Building and Construction Industry Training Board and related parties are disclosed below:

Fairbrother Pty Ltd	\$62,102
Master Builders Association of Tasmania	\$345,150
Mead Construction	\$13,187
A.H. Developments Pty Ltd	\$297

The above related party transactions have been completed under normal commercial terms.

**Independent Auditor's Report**

**To Members of the Tasmanian Parliament**

**Tasmanian Building and Construction Industry Training Board**

**Special Purpose Financial Report for the Year Ended 30 June 2016**

**Report on the Special Purpose Financial Report**

I have audited the accompanying special purpose financial report (the financial report) of the Tasmanian Building and Construction Industry Training Board (the Board), which comprises the statement of financial position as at 30 June 2016 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Members of the Board.

**Auditor's Opinion**

In my opinion the Board's financial report presents fairly, in all material respects, its financial position as at 30 June 2016, and its financial performance, cash flows and changes in equity for the year then ended and is in accordance with the *Building and Construction Industry Training Fund Act 1990*.

**Basis of Preparation and Restriction on Distribution**

Without modifying my opinion, I draw attention to note 1.1 to the financial report, which describes the basis of preparation. The financial report is a special purpose financial report prepared for the purpose of fulfilling responsibilities under the *Building and Construction Industry Training Fund Act 1990*. As a result, the financial report may not be suitable for another purpose.

*The Responsibility for the Financial Report*

The Members of the Board are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation as described in note 1.1 to the financial report, which is a special purpose framework, is appropriate to meet the requirements of the *Building and Construction Industry Training Fund Act 1990*. The Members' responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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*Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the Members' preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Members, as well as evaluating the overall presentation of the financial report.

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

**Independence**

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements.

The *Audit Act 2008* 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.

**Tasmanian Audit Office**



Jara K Dean  
**Assistant Auditor-General Financial Audit**  
**Delegate of the Auditor-General**

Hobart  
19 September 2016

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