



Building capacity. Building Tasmania.



**Keystone**  
TASMANIA

KEYSTONE ANNUAL REPORT

2021 - 2022



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

Keystone Tasmania (the Tasmanian Building and Construction Industry Training Board) was established in 1990 to promote a safe, skilled and sustainable workforce in the Tasmanian building and construction industry.

Keystone Tasmania is an independent state-wide organisation. Our work is funded by a levy on building and construction projects over the value of \$20,000. A Board of Directors with broad industry and education experience administers the allocation of funds to workforce development projects and via training subsidy across all sectors of the industry.

An online version of the Keystone Tasmania Annual Report can be viewed at:  
<https://annualreport.keystone.com.au/>

# Our Values



Keystone  
TASMANIA

Building capacity.  
Building Tasmania.

## We are human

We see the people who make up this industry.  
We connect with them, understand their situation, and appreciate their needs.  
We exist to serve our industry and we value our relationships.  
We listen, we learn and we respond.

## We are objective

We are impartial. We respect and value all sectors of our industry.  
We strive to be relevant to all stakeholders, regardless of size.  
We are deeply committed to principles of equity and transparency.

## We are quality

We are prepared to work for the future of our industry.  
Innovation drives us as much as it drives our industry.  
Our strategy will be grounded in evidence and sensitive to experience.  
We will measure our success by evaluating the capacity and sustainability of the Tasmanian building and construction industry.

# Highlights of 2021 – 2022

2,124

Training Courses Facilitated

8,733

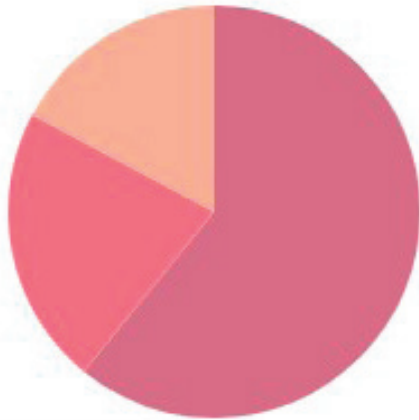
Participants

41,100

Contact Hours of Training

Direct applications for funding for training from eligible companies reached more than **\$2.8 Million**

## Levy Income 2021 – 2022



\*Levy payable on State and privately-funded civil projects only.

## Workforce Industry Campaign Launch



# 3 YEAR GOAL

2020-2022

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

## 4 STRATEGIC ACTIVITIES

1

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

2

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

3

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

4

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



## A message from our Chair



On behalf of the Board and staff of Keystone Tasmania, it is my pleasure to present our annual report for the 2021/22 Financial year to the Honourable Minister Felix Ellis, MP. I would also like to thank previous Ministers, Roger Jaensch and Sarah Courtney, for their guidance and support during the year.

The Keystone Board welcomed two new directors during the year, Neil Armstrong and Neridene Bracken, who strengthen our capacity in the important areas of Civil Construction and workforce skill development. We farewelled two long-term directors at the end of their terms, Naomi Walsh and Ted Bell. Our thanks go to Naomi and Ted for their significant contribution to the organisation's governance at a time of major change and uplift in our strategic focus.

During the year the Board, with the assistance of the Australian Institute of Company Directors (AICD), carried out a comprehensive review of Board performance to ensure our continuous improvement against good governance principles. Pleasingly, the review found our current practice to be very sound

against all AICD benchmarks, with the Board agreeing on actions that will lift our performance further.

With the assistance of management, the Board also reviewed and refreshed our comprehensive risk management and stakeholder engagements plans to ensure the organisation is best placed to deliver our strategic goals.

I am very proud of the efforts of our CEO Dr Karin Mathison and her hard-working small team in delivery of our strategic objectives and in their pursuit of excellence in service delivery. Amongst the many achievements for the year that are outlined in the CEO report, a highlight must be the very successful "Be Part of Building Something Big" media campaign. Many of my industry colleagues have commented that this "must have been produced in Sydney", however I have been able to assure them that the campaign production was 100% Tasmanian, right down to the on screen "talent" being real workers and projects from our building and construction industry!

The need for collaborative effort across the Building and Construction industry that we serve has never been more important. To that end, it has been pleasing to see Keystone and our industry partners come together in many initiatives, such as the Hi Vis Army program, aimed at increasing the capacity of our industry to deliver even stronger economic outcomes for our State.

The Board and Management of Keystone are currently working on a review of our Strategic Plan for 2023 and beyond. We look forward to presenting the plan for Ministerial endorsement, and to working with government and industry in the exciting years ahead.

A handwritten signature in black ink, appearing to read "N. McIlpatrick". The signature is stylized and written over a light blue horizontal line.

Norm McIlpatrick  
Chair

## A message from our CEO



It is a privilege to be leading Keystone Tasmania's remarkable team through a third year of organisational growth. I welcome this opportunity to publicly thank industry, stakeholder organisations, our board and our employees for working collaboratively to continue our exciting transformation in 2021-22.

Our goals for the year were to embed data-informed decision-making and introduce rigorous quality assurance in our funding processes, implement a new funding model and associated online system, build stronger connections with training providers and continue to raise the industry's profile through our major industry campaign work. I'm pleased to report that we achieved those goals.

The board's funding priorities have remained the provision of funding subsidy for training courses and support for pathway to industry programs. A contemporary funding model

now simplifies funding and course information for industry, and the introduction of a quality assurance process enables Keystone to engage with training providers more meaningfully as they seek to offer new training opportunities.

Keystone now hosts more than 800 training courses in its system, all of which have been approved for funding via a rigorous quality assessment process. With more than 95 training providers now quality assured, we have increased confidence that the Tasmanian building and construction industry can access variety, flexibility and quality training offerings. We will continue to engage with training providers to monitor the delivery and relevance of training offerings, via informal and formal audit mechanisms.

In May 2022 we launched our upgraded online applications and claims system, and have now transitioned existing customers and training providers to the new system, while welcoming many more. Our team responded quickly to feedback about user experience and we introduced some simplified procedures during 2022. Over the next three years we aim to significantly increase awareness of and access to the fund by connecting with and registering 80% of businesses and workers eligible for Keystone funding.

In 2021-22 we processed applications for 2,124 training courses, funding 8,733 participants in accredited and non-accredited training. We commenced funding of 18 major projects delivered by RTOs, industry associations and other partners, to create pathways into industry, promote upskilling and multiskilling, and target diversity and innovation goals. We also continued the development of SOFIA, our labour market modelling program that will add valuable data analysis to industry's skills planning. We continued to deliver the major industry campaign Be Part of Building Something Big and the associated call for women to join the industry through A Woman's Place. These campaigns have provided a solid grounding for ongoing work building our



industry profile, and encourage individuals and businesses to invest in their people through training and workforce development.

Recognising that our strength lies in our talented and committed team, Keystone Tasmania maintains a strong focus on staff wellbeing and connection. Working both remotely and in-office in 2021-22, we navigated the continuing challenges of COVID-19 and a demanding strategic agenda by prioritising flexibility, wellbeing and professional development. Our high-performing team has worked with one purpose towards achieving a major change agenda, with high levels of trust, clarity, connectivity and diversity. These characteristics will stand the team in good stead as we move into the next three year strategic period which will focus on consolidation.

I look forward to reporting our continued activity and success next year.

A handwritten signature in black ink, appearing to read 'K. Mathison', with a horizontal line extending to the right.

Dr Karin Mathison  
Chief Executive Officer

## New Project Activity 2021 – 2022



### Get into Civil – Link Resources (Industry Training Hubs)

**\$29,217**

Mountain Heights School in Queenstown in partnership with the Industry Training Hub and Link Resources developed a program designed to support skills in civil construction, LLN and employability work readiness. The program was delivered at the school by Link Resources Training (RTO 40889). The program was designed to be meaningful, fun, develop appropriate entry level skills and align with the priorities of the school and their students. It would also be an opportunity to more closely connect students with the civil sector in a practical way at a local level in remote Tasmania.

The students had a female civil worker from the local council as a guest speaker to hear about her path into the industry and experience as a civil construction worker. They also took part in a site visit to TasWater to learn more about work in this part of the sector. Units undertaken from the civil construction certificate included working safely at heights, use hand and power tools, enter and work in confined spaces, gas test atmospheres, enter confined space, work in accordance with an issued permit, conduct hazard analysis, traffic control with stop slow bat.



### Workplace Diversity and Diverse Employment Strategies – Tradeswomen Australia

**\$85,000**

These two projects commenced in April 2022 with a launch event at TMEC in Burnie. The projects are based on previously successful projects run by Tradeswomen Australia (TWA) on the mainland. The Diverse Employment Strategies project identifies building and construction businesses wanting to improve their recruitment processes and make their workplaces more inclusive. It is offering and running workshops on unconscious bias, bystander action and other practical topics to support culture change within businesses. So far, four businesses in the North and North West have signed up to participate.

The Workplace Diversity project has run four workshops that attracted approximately 30 women from the North West who were interested to learn more about trade careers. Female tradies and employers generously supported the workshops by sharing their time and talking about their own experiences of getting on the tools. Participating girls and women developed confidence through simulated welding sessions at TMEC in Burnie, and connected with employers interested in recruiting women and girls. So far, six women have been placed in apprenticeships through the TWA Workplace Diversity project.



## Mentoring the Mentor - Housing Industry Association

**\$36,000**

This project delivered tailored, intensive mentor development workshops as the first part in a two - part project to support better mentoring in the Tasmanian building and construction sector. The project was led by HIA with the skilled expertise of consultant, Ms Jess Janz (Savant Australia). Seven business leaders from across residential and commercial construction participated in a two-day workshop. They learnt the fundamentals and skills needed to identify employees in need of mentoring.

They participated in sessions on: understanding behaviour, emotional intelligence, communication fundamentals, mental health first aid and the foundations of coaching. Ms Wendy French (Talking About Training) joined the group to cover suicide awareness, mental health in the workplace and the importance of self-care. She empowered participants to identify warning signs in themselves and others, as well as the effects, both positive and negative, they may have on their colleagues.



## Building Careers for Tasmania - Beacon Foundation

**\$270,000**

Over 3 years Beacon's project will deliver the Building Careers in Tasmania Program, a multi touchpoint careers pathway offering into North and North-West Tasmania.

The program is launching state-wide to secondary schools with an Index of Community Socio-Educational Advantage (ICESA) of less than 1000, via a broad industry awareness activity through an online careers awareness Q&A. A series of work-based learning activities within four partner schools will be undertaken across North and North-West Tasmania. Individual school programs (which will be designed with the school and relevant industry partners) will include meaningful work-based learning activities within the year.

Part of Building Careers in Tasmania is the Polish program that sees industry representatives share their pathway stories and experiences in the industry with the students, through a Q and A session and small group talks. The industry reps also conduct mock interviews to give real life interview experience and provide feedback for improvement. Keystone was lucky enough to be a part of this incredibly rewarding process delivered to a group of very grateful Prospect High School students.

# Keystone Board

**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.**

## Keystone Functions

In addition, the Board has the following functions:

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

## Governance

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

- Mr Norm McIlpatrick (Chairperson)
- Ms Vonette Mead (Deputy Chairperson)
- Mr Ian Johnston
- Mr Michael Rogers
- Mr Ben Wilson
- Mrs Traycee Di Virgilio
- Ms Neridene Bracken - term commenced 1st December 2021
- Mr Neil Armstrong - term commenced 1st December 2021
- Ms Naomi Walsh - term expired 31st August 2021
- Mr Ted Bell - term expired 31 August 2021

# Public Meeting 2021



## Board attendance

The Board met six times this year and held its Annual General Meeting in October 2021. Disclosure of interests and other provisions as outlined in the Act were adhered to.

### Attendance

- Mr Norm McIlfratrick: 6/6
- Ms Vonette Mead: 6/6
- Mr Ted Bell: 0/1
- Mr Ian Johnston: 6/6
- Ms Naomi Walsh: 1/1
- Mr Michael Rogers: 6/6
- Mr Ben Wilson: 4/6
- Mrs Traycee Di Virgilio: 6/6
- Ms Neridene Bracken: 3/4
- Mr Neil Armstrong: 4/4



In accordance with Section 8A of the Act, the Board convened public meetings in Hobart and Launceston in November 2021 for interested members of the building and construction industry to consider issues that relate to the development of skills within the industry and to provide advice on those issues to the Board.

The purpose of the Public Meetings are to consult with the public and industry through structured, workshop style meetings with the objectives being to consider issues that relate to the development of skills within the building and construction industry; discuss the process for the provision of advice to the Tasmanian Government on strategic industry training priorities; and provide advice on those issues to the Board.

A total of 82 people attended the Public Meetings from a variety of stakeholder groups including TAFE, Employer Associations, Employee Associations, Registered Training Organisations, along with Board Members and staff of Keystone Tasmania.

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

# Training Plan and Funding Forecast



**In its Training Plan for 2022–23, Keystone Tasmania has allocated \$5,720,000 for the training and workforce development of some 15,000 eligible industry members.**

In its Training Plan for 2022–23, Keystone Tasmania has allocated \$5,750,000 for the training and workforce development of some 15,000 eligible industry members.

The Training Plan allocation for 2022–23 includes:

- Upskilling current workers in the building and construction sector through subsidies for accredited and non-accredited training \$3,550,000
- Funding for strategic projects that advance workforce development in the areas of: pathways, capacity building, innovation, and diversity and inclusion \$2,000,000
- Targeted support for course development, where gaps in available training have been identified \$200,000

The Training Plan allocation is estimated at approximately 110% of projected levy income 2022–23, with Keystone accessing cash reserves to meet the commitment.

Through this Training Plan, Keystone Tasmania seeks to create an environment where industry actively participates in and fully appreciates the benefits of training.

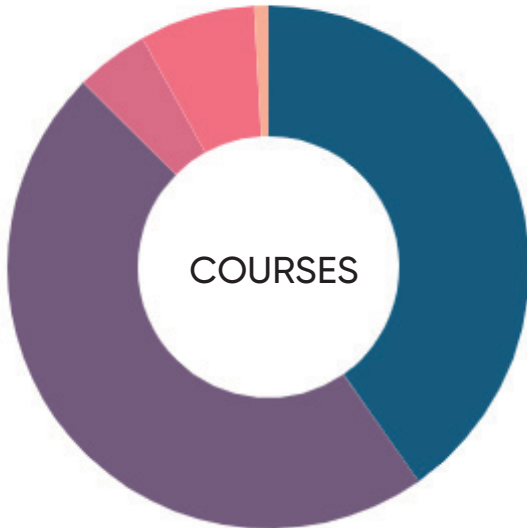
We are committed to producing a more productive, safe, employable, adaptable and innovative workforce.

Keystone Tasmania will collaborate with other organisations to address the training priorities identified by industry practitioners.

The Training Plan is designed to ensure funding can be made available to meet emerging training requirements identified by employers during the year. We accept that it is not possible to always accurately predict these different needs more than twelve months in advance of the training. In addition, the Plan will support the building and construction industry as it faces identified skill demands and retention challenges.

There is overwhelming support from the industry for a demand driven funding approach. This approach is consistent with the policy direction adopted by the State and Federal Governments for training entitlements and outcome-based funding. We continue to support increasing and maintaining the number and range of courses as well as the level of industry participation in training.

# Training Funded by Keystone 2021 – 2022



## UPSKILLING AND MULTISKILLING

**867 courses for 2,214 participants totalling 3,605 contact hours.** This program covered training on existing practices as well as new standards, regulations, technologies and products.

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

**993 courses for 5,053 participants totalling 2,098 contact hours.** The Board has been facilitating safety training for employers, employees and self-employed contractors in a continuing drive to develop a safety culture in the building and construction industry.

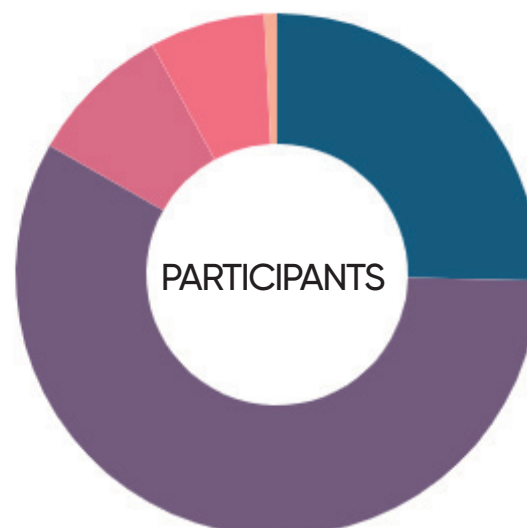
## INDUSTRY INNOVATION AND INFORMATION TECHNOLOGY TRAINING

**19 courses for 70 participants totalling 93 contact hours.** This program was designed to enable industry members to assess and use information technologies and a range of industry innovation to meet their business needs. Training was also aimed at preparing industry for new developments that could change business practices at large.



## BUSINESS SKILLS TRAINING

**95 courses for 776 participants totalling 2,961 contact hours.** This program was designed to improve industry's capabilities to respond to market opportunities and develop skills required for quality, reliable and cost effective business operations.



## VOCATIONAL AND TERTIARY EDUCATION

**150 courses for 620 participants totalling 32,343 contact hours.** The Board has facilitated funding for the following courses to improve qualifications and skills of industry entrants and members.

# Training Priorities & Funding Allocations



Keystone Tasmania will continue its collaboration with Skills Tasmania on building and construction industry training issues. We also note Skills Tasmania's industry policy promotes training for clients to be better informed about the training system, resource allocation according to informed priorities, and quality in all aspects of the training system.

We consider this Training Plan to be consistent with the Tasmanian Government's Skills Strategy. This Plan will enable training to be delivered to meet emerging priorities.

The Training Plan deals with these matters from the viewpoint of industry members and in accordance with the Building and Construction Industry Training Fund Act. It is important that the training priorities of industry members are addressed in any overall State Government Skills Strategy and industry policy.

**Keystone Tasmania will continue to work with Skills Tasmania to provide strategic advice to the Department and the Minister on:**

- Investing in Skills for Growth.
- Ministerial Priorities for Training and Workforce Development.
- Specific building and construction industry training issues.
- Keystone Tasmania will lead a number of significant initiatives arising from the Building and Construction Industry Workforce Action Plan.

**Keystone Tasmania has identified three areas of strategic activity around industry training provision in 2020-2022:**

- Promote quality pathways to employment.
- Support those in employment to develop their skills, obtain accreditation, and pursue career opportunities.
- Champion industry-wide initiatives that promote diversity, innovation, and advancement in all areas.

The demand-driven model as detailed in this plan is designed to meet the needs of both small and large building and construction enterprises.



# Keystone's Funding Model Update 2022

Since its establishment, the Board provided funding to industry in a range of ways including: training subsidies, incentive payments to employers, ad-hoc project funding for member associations and other organisations, and the sponsorship of awards and scholarships. Stakeholder feedback in 2020 highlighted that the Board's funding model needed to change.

During 2021 and 2022, Keystone undertook consultation with businesses, industry associations and state government to develop an improved funding model. Priorities identified were that the new funding model should:

- Be responsive to industry feedback across all sectors.
- Communicate Keystone's value through direct engagement with businesses and employees.
- Provide transparency on who, what and how much we fund.
- Provide simple, streamlined application and claims processes.
- Deliver major project funding through simple, transparent, equitable processes and rigorous reporting.

The resulting funding model took effect on 2nd May, 2022. It features three advertised categories of training subsidy, reduced administration for eligible businesses, and clear processes for applying for and allocating project funds.

Keystone will fund the nominated percentage of advertised course cost (plus GST if applicable) for applicants eligible under the Building and Construction Industry Training Fund Act 1990.

If a course is subsidised via funding from another source, the Keystone subsidy will be adjusted accordingly.

Keystone does not fund assessment-only activities such as Recognition of Prior Learning (RPL) and Verification of Competency (VOC).

Payments are made upon successful completion of the approved activity. Evidence of successful completion is required.

## Funding Model at a glance

**1 Three categories of funding with a scaled and fixed % of advertised course cost subsidised.**

**2 Training course subsidies will be paid to the employer (incl sole traders), with the option for the subsidy to be assigned to a training provider in specific circumstances.**

**3 Major projects will be funded through a combination of an annual EOI process targeting identified industry needs, and flexible ad-hoc funding for projects where need arises outside the EOI timeframes.**

## A focus on quality

Alongside the new funding model, Keystone has consulted on, and commenced implementation of, quality assurance and audit processes to promote transparency, quality and industry relevance in training. This process will be further developed during 2022-23, in close collaboration with major training providers and industry.

# Diversity and Inclusion



Keystone Tasmania's Diversity and Inclusion Strategy identifies barriers that women, culturally diverse and palawa people face at four key career junctures.

Keystone's project activity, internal operations, and the Be Part of Building Something Big campaign are purposefully targeted at specific barriers that limit the participation of diverse people:

- **ATTRACT** – alerting diverse people and the wider community on to the idea that diverse people belong in our sector
- **RECRUIT** – supporting diverse people into professional networks, bridging diverse people so they present competitively for jobs, and educating HR professionals, managers and selection panels in more equitable recruitment practices
- **RETAIN** – supporting employers, businesses and the sector to change workplace cultures so diverse people are safe, included, valued and thriving
- **ADVANCE** – providing opportunities for diverse people to undertake leadership training, and recognising and promoting the success and advancement of diverse leaders in the sector.

# Participation in Training Funded by Keystone 2017-2022

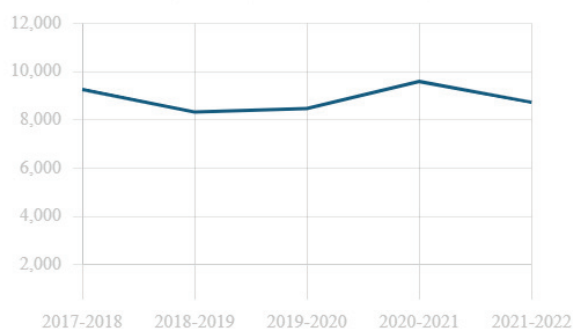
Training subsidy paid as a percentage of levy income

**52.8%**

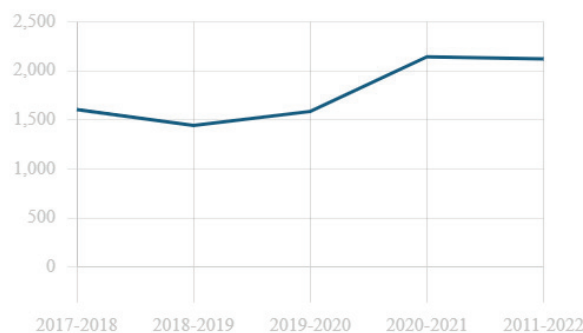
Workforce development (pathways, diversity and capacity building projects) as a percentage of levy income

**14.7%**

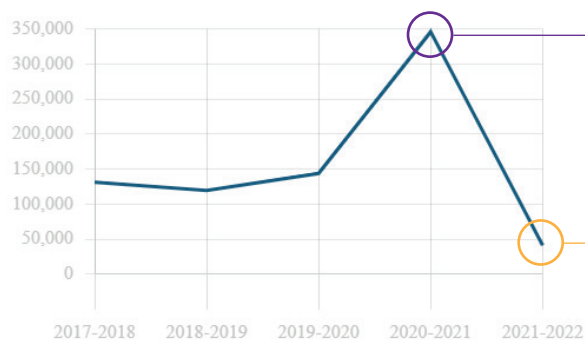
## Number of Participants



## Number of Courses



## Number of Contact Hours



During the COVID-19 pandemic period 2020-21, the fund saw a significant increase in demand for online short courses, a fully-subsidised vehicle licencing program, a Small Business Planning incentive program and a Microbusiness Incentive program.

In 2021-22 the Board finalised REAP (Re-Employing Apprentices Program) and the Out of Trade incentive payment scheme, which each accounted for significant contact hours.

Targeted programs such as these may be reintroduced in future, subject to industry feedback and demand.

The Board's new funding model provides more funding for more qualifications and training to more eligible participants. However, periods of peak workload in the industry tend to limit time available for uptake of discretionary training.

# Be Part of Building Something Big



As the state braces for future growth and development, Keystone Tasmania – in conjunction with industry – launched a major state-wide campaign to encourage Tasmanians to consider a career in the building and construction industry and ‘be part of building something big’.

The campaign aims to promote employment within the Tasmanian building and construction industry by showcasing the diversity of career options available, and the many different faces of this industry. As well as the trades we all know and are familiar with, the industry employs a vast array of unseen people who most of us never think about.

The campaign aims to shine a spotlight on the people who make up the industry and who are building Tasmania – from the smallest residential build to the biggest civil construction projects.

These unsung heroes keep the industry running smoothly while helping it to grow – all playing a critical role in Tasmania’s economic prosperity.

The ‘Be Part of Building Something Big’ campaign features several Tasmanians who have contributed to iconic building projects in our great state.

The campaign gives credit to the real people who have made real contributions to the construction of our state – from bricklayers and plumbers to engineers and project managers.

By sharing their stories, we hope to instil a sense of pride in the industry and inspire others to take advantage of the opportunities offered across the industry.

The campaign is supported by industry stakeholder organisations and government. We thank the following partners for their contribution:



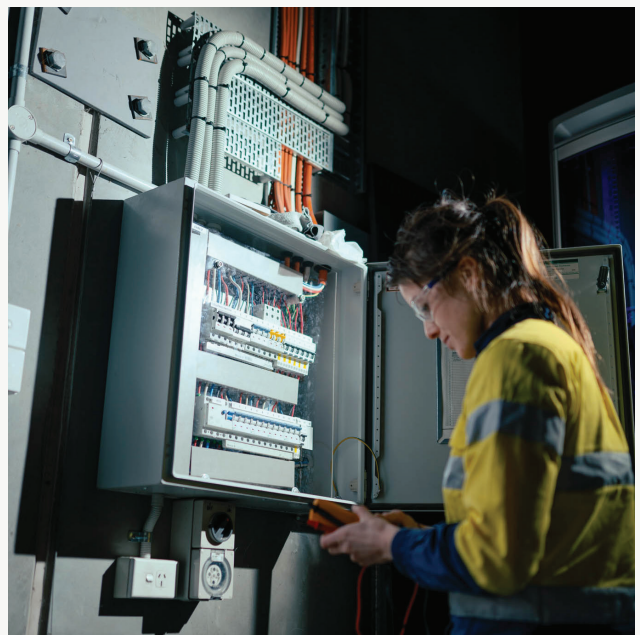


## Big Day My Way

The next step in the Be Part of Building Something Big campaign aimed to drill down into the real stories of people in our industry, to show 'a day in the life', and really explore what different roles involve.

Each video in this series captures a day in the life of someone who works in the industry. We follow them from dawn to dusk as they go about an ordinary (yet remarkable) day. We see their routine, their work, their challenges, their triumphs and their rewards, along with a few surprises.

With fantastic engagement from industry, five 'Big Day My Way' video stories were produced and aired weekly from June 2022.





## Keystone Tasmania

### Certification of Financial Statements

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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 2022 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 28 September 2022



**Karin Mathison**  
Chief Executive Officer



**Norm McIlfatrick**  
Chairperson

## Keystone Tasmania

### Statement of Comprehensive Income for the Year ended 30 June 2022

	Notes	2022 \$	2021 \$
<b>REVENUES</b>	1.3		
Industry training levy	1.4	5,314,027	5,510,263
Communities Tasmania grant		65,000	-
Interest		11,822	30,969
Other		-	100
Launceston apprenticeship pipeline grant		-	10,000
<b>TOTAL REVENUES</b>		5,390,849	5,551,332
<b>EXPENSES</b>	1.3		
Administration		281,339	255,740
Executive		520,700	558,608
Finance and accounting		244,425	251,870
Industry capacity building		439,392	81,599
Levy and funding		167,241	139,192
Pathways projects		688,378	488,523
Stakeholder engagement		806,777	379,771
Training reimbursement		2,810,509	3,489,411
<b>TOTAL EXPENSES</b>	2	5,958,761	5,644,714
<b>PROFIT/(LOSS) FOR THE YEAR</b>		(567,912)	(93,382)
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME / (DEFICIT)</b>		(567,912)	(93,382)

The accompanying notes form part of these financial statements.



## Keystone Tasmania

### Statement of Financial Position as at 30 June 2022

	Notes	2022 \$	2021 \$
<b><u>ASSETS</u></b>			
<b><u>CURRENT ASSETS</u></b>			
Cash and cash equivalents	1.5, 10	570,032	2,774,839
Financial assets	10	3,500,000	2,000,000
Receivables	1.5, 3	530,162	605,505
Prepayments		44,364	33,022
<b>TOTAL CURRENT ASSETS</b>		<b>4,644,558</b>	<b>5,413,366</b>
<b><u>NON-CURRENT ASSETS</u></b>			
Furniture, equipment, and vehicles	1.5, 1.6, 4	34,057	50,616
Intangibles	1.5, 1.6, 6	549,724	252,510
Right of use assets	5	311,239	372,374
<b>TOTAL NON-CURRENT ASSETS</b>		<b>895,020</b>	<b>675,500</b>
<b>TOTAL ASSETS</b>		<b>5,539,578</b>	<b>6,088,866</b>
<b><u>LIABILITIES</u></b>			
<b><u>CURRENT LIABILITIES</u></b>			
Payables	1.7, 7	134,320	51,900
Employee benefits	1.8, 8	60,568	60,317
Lease liability	1.12	47,800	65,640
<b>TOTAL CURRENT LIABILITIES</b>		<b>242,688</b>	<b>177,857</b>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Employee benefits	1.8, 8	24,391	37,387
Lease liability	1.12	280,536	313,747
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>304,927</b>	<b>351,134</b>
<b>TOTAL LIABILITIES</b>		<b>547,615</b>	<b>528,991</b>
<b>NET ASSETS</b>		<b>4,991,963</b>	<b>5,559,875</b>
<b><u>EQUITY</u></b>			
Accumulated profits		<b>4,991,963</b>	<b>5,559,875</b>

The accompanying notes form part of these financial statements.

## Keystone Tasmania

### Statement of Changes in Equity for Year ended 30 June 2022

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	Notes	2022 \$	2021 \$
Balance at beginning of financial year		5,559,875	5,653,257
Total comprehensive income / (deficit) for the year		<u>(567,912)</u>	<u>(93,382)</u>
Balance at the end of the financial year		<u><u>4,991,963</u></u>	<u><u>5,559,875</u></u>

The accompanying notes form part of these financial statements.

## Keystone Tasmania

### Statement of Cash Flows for the Year ended 30 June 2022

	Notes	2022 \$	2021 \$
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Receipts from customers		5,403,585	5,293,479
Interest received		13,976	66,861
Interest paid		-	(8,792)
Payments to suppliers and employees		(5,705,207)	(5,617,037)
<b>Net cash from/used in operating activities</b>	11	<u>(287,646)</u>	<u>(265,489)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Proceeds from term deposits		-	2,500,000
Payments for term deposits		(1,500,000)	-
Acquisition of fixed assets		(351,348)	(260,458)
<b>Net cash used in investing activities</b>		<u>(1,851,348)</u>	<u>2,239,542</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Repayment of lease liability		(65,813)	(87,696)
<b>Net cash used in financing activities</b>		<u>(65,813)</u>	<u>(87,696)</u>
Net increase/(decrease) in cash held		(2,204,807)	1,886,084
Cash at the beginning of the year		2,774,839	888,755
<b>Cash at end of reporting year</b>	10	<u><u>570,032</u></u>	<u><u>2,774,839</u></u>

The accompanying notes form part of these financial statements.

### 1 Accounting Policies

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

#### 1.1 Basis of Accounting

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

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

This Special Purpose Financial Report has been prepared in accordance with the measurement and recognition 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 15 Revenue from Contracts with Customers

AASB 16 Leases

AASB 119 Employee Benefits

AASB 124 Related Party Disclosures

AASB 137 Provisions, Contingent Liabilities and Contingent Assets

AASB 1048 Interpretation of Standards

AASB 1054 Australian Additional Disclosures

AASB 1058 Income of Not-for-Profit Entities

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

#### 1.2 New and Revised Australian Accounting Standards

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

### 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 Keystone Tasmania will occur and can be reliably measured.

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

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 Keystone Tasmania it is recognised as revenue when collected by the agency.

### 1.5 Assets

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

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

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

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

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

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

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

## Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2022

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### 1.6 Depreciation and Amortisation

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

Motor Vehicle	3 years
Office Furniture & Equipment	3 – 20 years
Software (i)	8 years

(i) During the financial year Keystone Tasmania progressed with the implementation of a new website and software system. This system will replace the current system in use and management have therefore determined the acceleration of the useful life of the current system to be a maximum of 2 years.

### 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

Keystone Tasmania 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 Keystone Tasmania 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.

### 1.8 Employee Benefits (Continued)

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

### 1.9 Insurance

Keystone Tasmania 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 Keystone Tasmania are exempt from income tax under the *Income Tax Assessment Act 1997*. Keystone Tasmania is subject to Fringe Benefits Tax and Goods and Services Tax.

### 1.12 Accounting for Leases

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

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

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

### 1.12 Accounting for Leases (Continued)

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

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

Right-of-use assets relate to building leases for First Floor, 2 Castray Esplanade, Battery Point, Tasmania from 21 November 2011 to 30 September 2021 and Level 5, 85 Macquarie Street, Hobart, Tasmania from 1 November 2020 to 31 July 2024.

### 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 net of GST. The net amount recoverable from, or payable to, the ATO is recognised as an asset or liability within the Statement of Financial Position.

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

### 1.14 Judgements and Assumptions

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

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



## Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2022

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	2022	2021
	\$	\$
<b>2 Expenses</b>		
Significant expenses are grouped in the Statement of Comprehensive Income by function. The same expenses are shown in natural account form.		
Accommodation and travel	26,803	22,084
Amortisation	107,922	99,073
Audit and legal fees	23,155	55,339
Bad debts	-	4,420
Bank fees and charges	502	1,219
Board development	17,500	6,690
Board member remuneration	105,487	130,330
Collection charges	35,282	42,854
Consultants' fees	12,595	91,132
Depreciation	24,843	22,101
Diversity program	98,624	2,500
Employee health and wellbeing	5,168	2,770
Fringe benefits tax	16,747	20,692
Heat, light and power	367	3,659
Industry capacity building projects	204,159	19,495
Innovation	26,318	-
Insurance	16,761	15,763
Lease Interest	13,825	8,792
Office expenses	50,635	31,684
Pathways projects	479,298	405,646
Postage and phone	18,611	16,143
Printing and stationery	1,410	2,021
Redundancies	11,360	-
Repairs and minor equipment	24,502	40,437
Salaries	883,981	704,374
Scholarships	3,000	7,455
Staff car parking	30,355	20,927
Staff development	19,592	27,184
Stakeholder engagement	779,176	268,678
Superannuation	102,094	75,275
Training reimbursements	2,810,509	3,489,411
Vehicle expenses	8,180	6,566
Total expenses	5,958,761	5,644,714

## Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2022

		2022	2021
		\$	\$
<b>3 Receivables</b>			
Interest		3,573	5,727
Goods and services tax		101,565	150,196
Industry training levy		425,024	449,582
Total receivables		<u>530,162</u>	<u>605,505</u>
<b>4 Furniture, Equipment and Vehicles</b>			
Furniture and equipment at cost	1.5	53,573	45,289
Less provision for depreciation	1.6	<u>(37,011)</u>	<u>(31,446)</u>
		<u>16,562</u>	<u>13,843</u>
Motor vehicles at cost	1.5	57,839	57,839
Less provision for depreciation	1.6	<u>(40,344)</u>	<u>(21,066)</u>
		<u>17,495</u>	<u>36,773</u>
Total at net book value		<u>34,057</u>	<u>50,616</u>
<b>Reconciliation of carrying amount:</b>			
Furniture and equipment			
Carrying amount at beginning of year		13,843	17,637
Additions		8,284	3,490
Depreciation		<u>(5,565)</u>	<u>(7,284)</u>
Carrying amount at end of year		<u>16,562</u>	<u>13,843</u>
Motor vehicles			
Carrying amount at beginning of year		36,773	21,802
Additions		-	29,788
Depreciation		<u>(19,278)</u>	<u>(14,817)</u>
Carrying amount at end of year		<u>17,495</u>	<u>36,773</u>
Total		<u>34,057</u>	<u>50,616</u>

## Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2022

		2022	2021
		\$	\$
<b>5 Right of Use Assets</b>			
Building leases		373,487	553,948
Less accumulated amortisation		<u>(62,248)</u>	<u>(181,574)</u>
Total at net book value		<u>311,239</u>	<u>372,374</u>
<b>Reconciliation of carrying amount:</b>			
Building Leases			
Carrying amount at beginning of year		372,374	90,658
Additions		-	390,763
Lease modifications		937	-
Depreciation		<u>(62,072)</u>	<u>(109,047)</u>
Carrying amount at end of year		<u>311,239</u>	<u>372,374</u>
<b>6 Intangibles</b>			
Software	1.5	571,094	73,748
Less provision for amortisation	1.6	<u>(78,123)</u>	<u>(32,273)</u>
Total at net book value		<u>492,971</u>	<u>41,475</u>
Work in progress - software		<u>56,753</u>	<u>211,035</u>
Total at net book value		<u>549,724</u>	<u>252,510</u>
<b>Reconciliation of carrying amount:</b>			
Software			
Carrying amount at beginning of year		41,475	33,616
Additions		286,311	16,145
Transfers from work in progress		211,035	-
Amortisation		<u>(45,850)</u>	<u>(8,286)</u>
Carrying amount at end of year		<u>492,971</u>	<u>41,475</u>
Work In Progress			
Carrying amount at the beginning of year		211,035	-
Additions		56,753	211,035
Transfers to software		<u>(211,035)</u>	-
Carrying amount at the end of year		<u>56,753</u>	<u>211,035</u>

## Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2022

	2022	2021
	\$	\$
<b>7 Payables</b>		
Creditors	86,575	22,159
Accrued salaries	8,354	3,473
PAYG withholding	29,467	20,637
Superannuation	9,924	5,631
Total payables	<u>134,320</u>	<u>51,900</u>
<b>8 Employee Benefits</b>		
Annual leave	53,744	53,871
Long service leave	24,391	37,387
Superannuation	6,824	6,446
Total employee benefits	<u>84,959</u>	<u>97,704</u>
Current	60,568	60,317
Non-current	24,391	37,387
	<u>84,959</u>	<u>97,704</u>

## 9 Commitments

### 9.1 Training Fees

Under the Building and Construction Training and Upskilling Programs Keystone Tasmania has commitments for training fees payable to employers and host employers of apprentices employed under training agreements during 2018 to 2022. The expected payments could be made up to 30th June 2026 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 2022 is \$584,000 (30 June 2021 \$746,000), this assumes an apprenticeship attrition rate of twenty (20) percent.

## Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2022

	2022	2021
	\$	\$

### 10 Reconciliation of Cash

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

Cash and cash equivalents	570,032	2,774,839
Total cash and cash equivalents	<u>570,032</u>	<u>2,774,839</u>

Keystone Tasmania holds \$3,500,000 in term deposits (30 June 2021, \$2,000,000) that are held for periods greater than three months and therefore do not meet the classification requirements for cash and cash equivalents.

### 11 Reconciliation of Net Cash used in Operating Activities to profit for the year

Comprehensive income / (deficit) for the year	(567,912)	(93,382)
Depreciation and amortisation	132,765	121,174
Lease interest	13,825	-
Increase/(decrease) in payables	82,420	(37,721)
Increase/(decrease) in employee benefits	(12,745)	46,151
(Increase)/decrease in receivables	75,343	(282,068)
(Increase)/decrease in prepayments	(11,342)	(19,643)
Net cash provided by operating activities	<u>(287,646)</u>	<u>(265,489)</u>

### 12 Credit standby arrangements with banks

Credit card facility	15,000	6,000
Amount utilised	-	-
Total credit standby arrangements with banks	<u>15,000</u>	<u>6,000</u>

### 13 Audit Fees

The Statements of Keystone Tasmania are audited by the Auditor-General in accordance with the Audit Act 2008. The fee for the Keystone Tasmania's 30 June 2022 audit is \$14,160 (30 June 2021, \$13,610) excluding GST.

## Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2022

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### 14 Events Occurring After Balance Date

There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of Keystone Tasmania, the results of those operations, or the state of affairs of the Board in financial years subsequent to this financial year.

### 15 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 Keystone Tasmania'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 Keystone Tasmania. 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 Keystone Tasmania's normal activities, are not included in this note.

The total value of related party transactions with key management personnel (KMP) is as follows:

	2022 Aggregate value of transactions \$	2021 Aggregate value of transactions \$
Apprentice employment opportunities	50,155	82,590
Training reimbursements	21,345	13,835
Total related party transactions	<u>71,500</u>	<u>96,425</u>

Vonette Mead is a current director and her business, Mead Con, received payments as part of normal training reimbursements. Ben Wilson is a current director of Keystone Tasmania and CEO of Centacare Evolve Housing. Keystone and Centacare Evolve Housing have a formal funding agreement to support apprentice employment opportunities. These transactions were completed on normal commercial terms.

No other KMP's entered into a material contract with Keystone Tasmania since the end of the previous financial period and there were no material contracts involving KMP' interests existing at the end of the period.

## Keystone Tasmania

Notes to and forming part of the Accounts for the Year ended 30 June 2022

### 15 Related Party Transactions (Continued)

	2022	Short Term Employee Benefits				Post-Employment Benefits		Total Compensation
		Salary	Allowances	Vehicles	Superannuation	Redundancy	LSL and AVL Movements	
<b>Board Members</b>								
Chairperson (1)		19,938	697	-	1,994	-	-	22,629
Directors (9)		75,960	896	-	7,596	-	-	84,452
<b>Total Board</b>		<b>95,898</b>	<b>1,593</b>	<b>-</b>	<b>9,590</b>	<b>-</b>	<b>-</b>	<b>107,081</b>
<b>Senior Management</b>								
\$160,000-\$220,000 (1)		178,615	2,647	11,271	17,862	-	395	210,790
\$50,000-\$120,000 (5)		375,852	3,013	-	42,256	6,235	(33,267)	394,089
<b>Total Senior Management</b>		<b>554,467</b>	<b>5,660</b>	<b>11,271</b>	<b>60,118</b>	<b>6,235</b>	<b>(32,872)</b>	<b>604,879</b>

	2021	Short Term Employee Benefits				Post-Employment Benefits		Total Compensation
		Salary	Allowance	Vehicles	Superannuation	Redundancy	LSL and AVL Movements	
<b>Board Members</b>								
Chairperson (2)		19,061	1,107	-	1,811	-	-	21,979
Directors (8)		101,697	2,870	-	7,762	-	-	112,329
<b>Total Board</b>		<b>120,758</b>	<b>3,977</b>	<b>-</b>	<b>9,573</b>	<b>-</b>	<b>-</b>	<b>134,308</b>
<b>Senior Management</b>								
\$160,000-\$220,000 (1)		178,168	2,780	11,271	16,926	-	13,855	223,000
\$50,000-\$120,000 (3)		218,506	3,095	-	29,414	-	19,813	270,828
<b>Total Senior Management</b>		<b>396,674</b>	<b>5,875</b>	<b>11,271</b>	<b>46,340</b>	<b>-</b>	<b>33,668</b>	<b>493,828</b>

## **Independent Auditor's Report**

### **To the Members of the Tasmanian Building and Construction Industry Training Board**

### **Report on the Audit of the Special Purpose Financial Report**

#### **Opinion**

I have audited the financial report, being a special purpose financial report of Tasmanian Building and Construction Industry Training Board (the Board), which comprises the statement of financial position as at 30 June 2022, 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 the statement of certification by management.

In my opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Board as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of Section 10 of the *Building and Construction Industry Training Fund Act 1990*.

#### **Basis for Opinion**

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Board in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

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



## **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 Management and the Members of the Board for the Financial Report**

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

In preparing the financial report, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board is to be dissolved by an Act of Parliament, or the management intend to cease operations, or have no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Financial Report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.

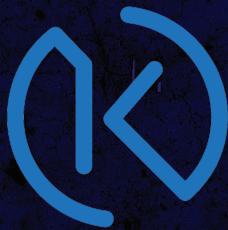
I communicate with the Members of the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Helen Grube  
**Senior Manager, Financial Audit Services**  
**Delegate of the Auditor-General**  
Tasmanian Audit Office

5 October 2022  
Hobart





Keystone  
TASMANIA