



Construction Industry Training Board

Annual Report

*For the Financial Year
Ended 30 June 1995*

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REPORT FROM THE PRESIDING MEMBER

This is the second annual report of the Construction Industry Training Board, with this 1994/95 year representing the first full year of operations of the organization. Since its inception, the Board has worked conscientiously in addressing the wide range of challenges which were presented and will continue to strive towards achieving the outcomes expected by all stakeholders.

Many industry members have received benefits from the training and incentives provided in 1994/95. The Board recognizes the need for training to be based on endorsed national competency standards, the industry training framework and the National Framework for the Recognition of Training, to provide training which facilitates pursuit of career paths, and to provide for training which is based on the short and long term needs of all members of the industry.

The Board has continued to play a role as an Industry Training Advisory Body supporting Construction Training Australia in its development of national competency standards and embracing the strategic directions for vocational education and training which have been developed by this organization.

Throughout the year, industry has confirmed its support of the Fund. Industry has also had a direct say in where and how money is spent on training in the building and construction industry in the State. The Board has taken an industry focused and bottom-up approach to ensure that the industry members are directly engaged in all processes. The Board is committed to ensuring that training continues in times of economic downturn so that the industry has ongoing access to a skilled workforce.

The Fund has shown that it is a unique and effective vehicle for improving and developing industry-based training and skills acquisition and can contribute towards the need for an adequately trained and competent workforce. The development of a highly skilled, productive and secure workforce will affect positively the economic base of the State and enhance the industry's ability to be nationally and internationally competitive.

Future Directions

Following the recent development and finalization of the 1995/96 Annual Training Plan, the Board is well under way in addressing its strategic directions for the forthcoming year.

Broadly these directions include :-

- promotion and dissemination of information
- streamlining of processes
- review of the membership of the Sector Committees and Specialist Services Working Party
- review of the functions of the Construction Industry Training Board under the Construction Industry Training Fund Act.
- implementation of the building and construction industry training framework.
- evaluation of training
- assistance with workplace assessment
- research
- positive actions to address the needs of disadvantaged groups
- development of an effective reporting framework
- development of a long term strategic plan for the identification and delivery of short and long term future training requirements.

The Construction Industry Training Board will also be lending support to those other States who are in various stages of developing their own Industry Training Funds.

The Board will continue to support the national direction for vocational education and training as well as the strategies established by Construction Training Australia in ensuring that skills and career development opportunities are available to all in the industry.

Acknowledgements

Under the Act, the Sector Standing Sub Committees represent the interests of their particular sector in relation to the management of the Fund and advise the Board on the allocation of money from the Fund for the benefit of a particular sector, advise the Board on any other matter relevant to a particular sector and carry out other functions as determined by the Board.

PRESIDING MEMBER'S REPORT (CONT.)

These committees are the :-

- Housing Sector Standing Sub Committee
- Commercial Sector Standing Sub Committee
- Civil Sector Standing Sub Committee.

In conjunction with the above, the Specialist Services Working Party has been formed to represent the interests of specialist services in the Building and Construction Industry.

I would like to formally recognize the extensive research and input from these bodies and thank them for their significant contribution. It is through these structures that the objectives of the Construction Industry Training Board can be attained in a manner which ensures that the training and initiatives which are funded are conducted in accordance with industry needs.

I would also like to express my appreciation for the commitment and effort of all the existing and past Board Members who played a valuable role though the 1994/95 year and would also like to acknowledge the strong support and dedication of the administration staff.



RICHARD J MCKAY - PRESIDING MEMBER

FUNCTIONS, MEMBERSHIP & DELEGATIONS

STATEMENT OF PURPOSE

The Board of the Construction Industry Training Fund is committed to :-

- Effective collection and management of Fund monies.
- Providing resources additional to those currently provided by both State and Federal Government.
- Ensuring that resources are used in a manner approved by the Board, and are directed by the industry itself through the Sector Standing Sub Committees and Specialist Services Working Party.
- Efficient utilization of funds to maximize the benefits of training provision and skills acquisition to members of the workforce in all sectors of the industry.
- Establishment of training programmes and skills acquisition programmes based on endorsed national competency standards where they currently exist, which can result in state and national recognition of courses and portability of skills.
- Approval of training from the fund which will be increasingly accredited training delivered by registered providers.
- Ensuring that submissions for funding must indicate where they comply with the National Framework for the Recognition of Training principles.
- Effective fulfilment of its role as an Industry Training Advisory Body.

This basis will link directly with the design and facilitation of training delivery and skills acquisition to meet entry level training needs, retraining needs, upskilling, career progression and new skills acquisition of the industry and its workforce.

BOARD MEMBERS

The Board is represented by the following members :-

Director	Organisation	Representation
Richard McKay		Presiding Member
Don Kennett	• Housing Industry Association	Five persons appointed to represent the interests of employers in the Building and Construction Industry
Rob Stewart	• Master Builders Association	
Roy Ellin	• National Electrical Contractors Association	
David Truran	• Truran Earthmovers	Industry
David Duncan	• Building Owners & Managers Association	
Tony Bush	• Electrical, Electronics, Plumbing & Allied Workers Union	Three persons appointed to represent the interests of employees in the Building and Construction Industry
Ben Carslake	• Construction Forestry Mining & Energy Union	
Martin O'Malley	• Australian Building & Construction Workers Federation	
Susan Frazer	• Department for Employment, Training & Further Education	Two persons appointed to represent the Vocational Education and Training Area
Mick Billing	• Western Mining Corporation	
Mark Cody	• Department of Employment, Education and Training	One person appointed by the Commonwealth Minister of Employment, Education & Training

During the year under review, the following variations in membership occurred.

Mr. Andrew Fletcher representing the Building Owners and Managers Association, Mr. John Marshall representing the Master Builders Association and Mr. Dennis Williams from the Douglas Mawson Institute of TAFE all resigned at the end of their terms of appointment. Mr. Bob Swanson of the Department of Employment, Education and Training was replaced by Mr. Mark Cody as the Commonwealth Representative.

New members appointed were Mr. Rob Stewart representing the Master Builders Association, Mr. David Duncan representing the Building Owners and Managers Association and Mr. Mick Billing of Western Mining Corporation.

The Chief Executive Officer, Lynley Cooper, resigned within the reporting period.

The Board wishes to take this opportunity to express its sincere thanks to all outgoing Directors and to extend a warm welcome to all new members.

DELEGATIONS

Authorized Officers

The Finance Manager, Jan Stephens and the Manager Compliance, Les Webb have been nominated by the Board and approved by the Minister as Authorized Officers in accordance with Section 33 of the Construction Industry Training Fund Act 1993.

Expenditure

The Chief Executive Officer (or, in the absence of the Chief Executive Officer, the Presiding Member or another Board Member) is authorized to incur capital expenditure for items approved by the Board in the Capital budget subject to cash flow considerations.

The Chief Executive Officer has authority to incur expenditure for normal operating items approved by the Board in the annual budget as well as Grant funds. In the absence of the Chief Executive Officer, the Presiding Member or another Board Member may approve such expenditure subject to cash flow considerations.

FUNCTIONS, MEMBERSHIP & DELEGATIONS (CONT.)

The Finance Manager has authority to incur operating expenditure up to \$10,000.

The Financial Assistant and the Development Co-ordinator have authority to sign cheques and incur budget-approved operating expenditure up to the value of \$10,000.

Approval of Submissions

The Construction Industry Training Fund (Administration) has been delegated the authority to process, approve and allocate funds to submissions for funding when submitted, providing they are properly endorsed by the appropriate Sector Standing Sub Committees and conform with Construction Industry Training Board policy.

Annual Training Plan 1995/96

The Board, in consultation with the Industry, has recently developed the 1995/96 Annual Training Plan for the building and construction industry.

The Plan :-

- outlines priority areas for training in all of the 3 sectors of the industry (Housing, Commercial and Civil) for the forthcoming year.
- is developed by industry for and on behalf of industry.
- ensures that the training funded by the Construction Industry Training Board is relevant and tailored to industry needs.
- ensures that the resources of the fund are allocated to properly structured training programmes.
- has been approved by the Minister for Employment, Training and Further Education.

State Training Profile

The Board, also in consultation with industry, has developed the Building and Construction Industry Training Profile for the Training Plan of the State. Strategic directions developed to address building and constructing industry specific training issues as well as access and equity imbalances were :-

- **Retraining/Upskilling.**
- **Provision of structured training in areas not previously covered.** This will be addressed to some extent by training undertaken at the Civil Construction Skills

ACHIEVEMENTS OF 1994/95

and Technology Centre and the Construction Industry Training Management Association Incorporated - Netley Centre.

• Workplace Assessment.

The National Building and Construction Industry Award was varied in January 1995 and will align new construction worker classifications (and corresponding competencies) to wage rates. This will lead to a great demand from workers seeking classification or re-classification under the new structure.

• Entry Level Training.

A strategy for implementing the National Industry Training Framework, which replaces the traditional apprenticeship system and provides training in areas which have not previously been covered, is currently being developed.

• Implementation of AVTS Traineeships.

The AVTS traineeship for Civil Operations (Stages 1 to 3, trade level) commenced in May 1995. Development of traineeships for Construction Worker Grades 1 to 3 for Structures and Fitout and Finish Streams will be finalized in the near future.

• Literacy and Numeracy.

Literacy/Numeracy training will be incorporated into mainstream courses and English awareness training for trainers, workplace assessors and supervisors is planned.

• Access and Equity. The needs of women, rural/remote communities, people with disabilities and Aboriginals will be addressed by flexible delivery and other strategies such as recognition of existing skills of women and community based training for Aboriginals.

• Curriculum Development/Accreditation of Courses will be developed and actively promoted.

• Assistance with development of Competency Standards.

National Competency Standards for the Civil, Structures, Fitout and Finish and Services Streams, up to and including ASF level 3 have been endorsed by the National Training Board. Competency standards for ASF level 4 (Paraprofessionals, Supervision, Management and Small Business Skills) are currently being developed.

Contribution to the Civil Construction Skills and Technology Centre

With the assistance of the Construction Industry Training Fund, the Civil Construction Skills and Technology Centre has and is continuing to achieve outcomes in addressing the training needs of the Civil Sector of the industry.

The Skills Centre :-

- is a registered training provider.
- recently celebrated its first 12 months of activities.
- has delivered over 40,000 training hours in its first 12 months.
- has catered for more than 100 trainees per month.
- has delivered training throughout South Australia (including regional areas) as well as interstate.
- is demonstrating the shift to live work training as opposed to the traditional institution-based training conducted in classrooms or in other contexts.
- was among the first in Australia to introduce the AVTS (Australian Vocational Training System) Certificate in building and construction, civil operations.
- has assisted successful participants to enter the workforce with over 80% positive outcomes achieved.
- is training in other non-traditional training areas involving non-plant skills.

Literacy and Numeracy Grant

The Construction Industry Training Board was successful in securing a Workplace English Language and Literacy Grant. Through this funding as well as significant industry contributions, this program has achieved positive outcomes. Training of this nature is considered critical within the building and construction industry, due to the high percentage of workers from a non English speaking background, and with low levels of literacy and numeracy skills. This project has been extremely successful in gaining positive employer commitment to improving literacy and numeracy skills of workers.

This project has also recognized the need to incorporate language and literacy training into

other training and English awareness has now been successfully included in a trainer training course for the industry.

Training Reform Grant

Through a Training Reform Information Program Grant and significant Industry contribution, the project outcomes included:-

- The development of a Recognition of Prior Learning (RPL) process for Stage 1 of the AVTS.
- The development of a Training Record Book for the Australian Vocational Training System (AVTS) Civil Operations Plant Traineeship, in Basic Industry Skills Stage 1.
- Information sessions on the Training Reform Agenda, for the Sector Standing Sub Committees.
- Training Reform Information Delivery for industry representatives.
- A pilot project for training Skills Assessors for RPL and assessment of skills for credentialling.

ITAB Initiatives

Industry Training Advisory Body Function :

The South Australian Building and Construction Industry Training Advisory Body (ITAB) function of the Board is funded by the Commonwealth and State Governments through a recurrent grant with the Board having legislative responsibility for the ITAB, the key functions of which are :

- to collect, evaluate and disseminate to the Industry data and information on education and training needs and resources.
- provision of advice on education and training needs and training policy for the industry.
- ensuring quality advice is provided for inclusion in the National Plan for Vocational Education and Training.
- implementation of nationally agreed priorities and strategies relevant to a competency based training system and the Industry Training Framework.

Under the Construction Industry Training Fund Act 1993, the Construction Industry Training Board addresses and actions the above functions to facilitate implementation of

initiatives in areas that are critical to the building and construction industry in South Australia.

Internal Policy and Systems

A comprehensive policy framework has been developed, endorsed and implemented by the Construction Industry Training Board.

This framework :-

- has established key criteria for the conduct of training and skills acquisition programmes.
- ensures that training will be directed towards structured priorities, will be non-duplicated, cost effective and of a high quality.
- ensures that training will be based on Industry needs and consistent with the National Training Reform Agenda.
- has established a clear policy for subsidisation of entry level training.
- has brought about a streamlining of processes through which funds for training can be accessed.

Financial Results

In 1994/95 \$3,746,042 of industry levies were collected, \$2,302,990 (61%) from the Housing Sector, \$1,074,041 (29%) from the Commercial Sector and \$369,011 (10%) from the Civil Sector. When compared with the full year level of levy collections for 1993/94 an 11% increase in levy income has arisen.

In 1994/95 an amount of \$27,863 was paid to collection agents which include participating Local Councils, Master Builders Association and Home Owners Warranty. This represents approximately 1% of the total amount of levy collections for the year.

A net amount (not including collection agents' fees) of \$482,528 was spent on administration of the fund which equates to 16.7% of the total expenditure for 1994/95. Expenditure on overheads has been kept to a minimum and was balanced against the need for resources to administer funds and to pursue compliance with the Construction Industry Training Fund Act.

Grant Expenditure for 1994/95 was \$285,721. This included the administration of the Industry Training Advisory Body function as well as project expenditure relating to the Training Reform and Literacy & Numeracy Grants. For the year grant expenditure was around 10% of the total funds expended.

Funds for training have been spent in accordance with Section 32 of the Construction Industry Training Fund Act which states :-

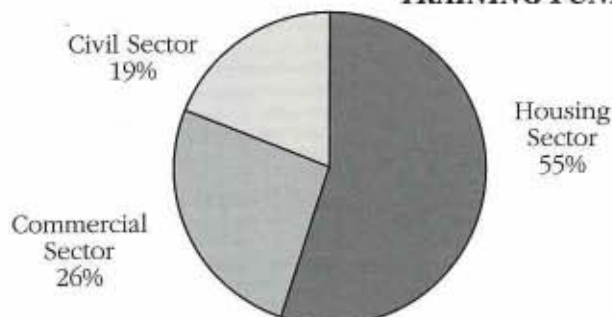
"A training plan must be prepared on the basis that money from the Fund for the provision of training will be allocated to each sector of the building and construction industry in approximately the same proportions as the resources of the Fund have been contributed by that sector.

A training plan must, in the allocation of money to a particular sector of the building and construction industry, provide for training that is directly relevant to the needs of that sector".

During the financial period training funds allocated to the three sectors were as follows :-

• Housing Sector	\$1,147,331	(55%)
• Commercial Sector	\$538,184	(26%)
• Civil	\$404,383	(19%)

TRAINING FUNDS ALLOCATED



Accumulated surpluses at 30th June 1995 amounted to \$2,986,646 and the cash balance was \$3,549,475.

Collection Agents

Under Division 3, Section 19 of the Construction Industry Training Fund Act 1993, the Board may appoint Collection Agents for the purposes of collecting levy payments for an agreed agency fee.

Approximately 50% of Local Government Councils throughout South Australia, as well as the Master Builders Association and Home Owners Warranty have been appointed as collection agents.

The Board wishes to extend its thanks and appreciation to those agents who have provided this important service in ensuring that the levy payment process is as streamlined and efficient as possible.

Compliance

During the year, a Compliance Manager was appointed to conduct investigations to ensure that there is compliance with the legislation. A significant improvement in levy collections, especially from the civil sector, has been achieved and these investigations are to continue throughout the next financial year.

Research

In 1994/95 substantial research has been funded by The Construction Industry Training Fund. This has included a report on the status of domestic building trades, which outlined the age profile of the industry, skills shortages, recurrent faults in existing work practices, and required skills for work practices. In addition, a comprehensive training needs analysis was funded for the civil sector of the industry.

Training Programs

a) Entry Level Training

The Fund provides subsidies to host employers towards the costs of apprentices. This has been necessary because

- the building industry has a history of boom and bust, largely influenced by federal government policy. Funding is needed to train in downturn periods to be able to supply better trained labour in boom periods.
- the subcontract and competitive nature of the Building and Construction Industry does not enhance the cause of apprentice training.

- current avenues of Commonwealth Funding are inadequate. This inhibits the employment of apprentices by small to medium enterprises and results in shortages of apprentices and tradespersons. It can also be disruptive to continuous training of skilled workers.

The above factors discourage employers from employing apprentices in the long term.

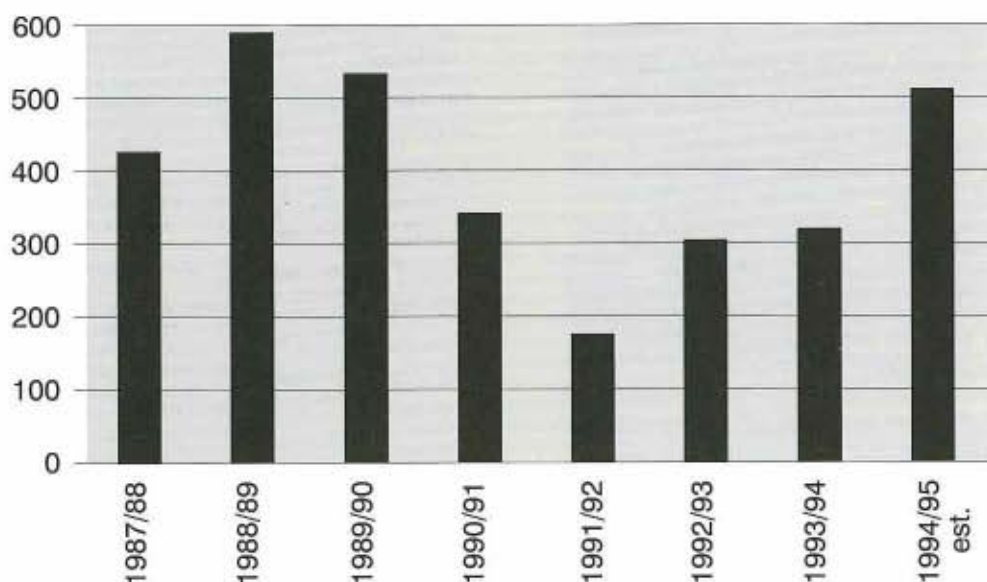
- subsidies make apprentices more attractive to potential host employers, especially small to medium enterprises.
- more job opportunities are created for school leavers and young people in general.
- South Australia has an ageing workforce and it is essential that training is undertaken now to provide skills for the future.
- research through the "Domestic Labour Trades Report" (Carrigan, 1994) indicated future skilled labour shortages within housing due to the age profile of existing workers.

The Fund subsidy provides the following benefits

- subsidies are passed on, in total, to host employers meaning lower cost to them to employ an apprentice.
- lower cost means a greater potential for more host employers.
- more host employers means a wider variety of training options for apprentices and increased opportunities for employment and training.
- more training options means improved quality of training for apprentices.
- better trained apprentices means a higher standard of tradesperson.

The number of apprenticeship commencements in building trades has declined significantly in the period 1987 to 1994 - a fall of 23% overall and a decline of 46% from the highest level in 1988-89. Previously, Industry experience has shown that declines in the economy when accompanied by low apprenticeship commencements lead to shortages of skilled labour. The Construction Industry Training Board is striving to address this situation to avoid a possible detrimental impact on the availability of skilled labour when business activity returns to healthy levels.

APPRENTICESHIP COMMENCEMENTS Building-South Australia 1988-95



Source: NCVER Ltd, Adelaide

Australia wide, tradespersons constitute 50% of the Building and Construction Industry workforce. It is therefore essential that the needs of this occupational group are considered and addressed.

PERSONS EMPLOYED IN THE CONSTRUCTION INDUSTRY BY OCCUPATION

OCCUPATION	Number of persons	As % of the total
Managers and administrators	44,777	8%
Professional	11,478	2%
Para-Professional	15,490	3%
Tradespersons	277,549	51%
Clerks	72,632	13%
Sales persons and personal service workers	7,441	1%
Plant and machine operators and drivers	39,644	7%
Labourers and related workers	83,644	15%
Total	552,655	100%

Source: ABS Labour Force Survey (unpublished data), February 1994.
CTA Industry Training Plan 1995/97

Without the support of the Construction Industry Training Fund, the number of apprenticeship commencements may be reduced to such an extent that the Industry will be unable to meet its future demands for a skilled workforce.

Positive outcomes were achieved by the Group Schemes which received Construction Industry Training Board funding in the financial year 1994/95.

Of those completing their apprenticeships in this period, most gained employment.

b) Courses

During 1994/95 the following range of training programs were approved for funding.

Housing Sector

Building Contracts and Documentation
Building Regulations
Understanding the Timber Code
Builders Supervisors Course
Continuous Improvement
Home Building Sales Course
Business Management for Builders
Word for Windows
Competency Based Training - Sales
Competency Based Training - Office
Competency Based Training - Construction
Quality Sales Training
Quality Management Training
Building with Steel
Estimating
Heritage Painting
Ceramic Floor & Wall Tiling
Country Short Courses
HVAC Design
HVAC Installation
HVAC Heat Load

Commercial Sector

Project Scheduler 6
Supervisors Safety Training
Occupational Health Safety & Welfare
Enterprise Bargaining
HVAC Design
Microsoft Excel
Quality Assurance for Employees
Quality Assurance for Subcontractors
Quality Assurance for Principals
Quality Assurance for Quality Officers
Introduction to Quality Assurance
Train the Trainer

Manual Handling
Construction Supervisor
Microsoft Project
Contracts without Dispute
Excavation Safety
Basic Estimating
Basic Industrial Relations
Safety Supervisor Refresher Training
Advanced Safety Supervisor Training
Plan Reading

Civil Sector

Train the Trainer
Plant Operator Training

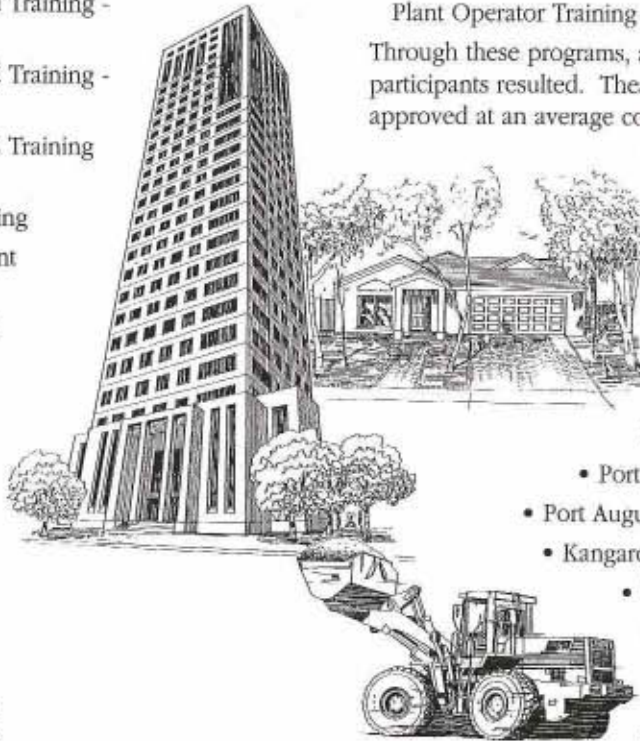
Through these programs, approval for 2840 participants resulted. These courses were approved at an average cost of \$9.90 per training hour.

Courses were funded to conduct training in regional areas including -

- Port Pirie
- Victor Harbor
- Mount Gambier
- Port Lincoln
- Port Augusta
- Kangaroo Island
- Clare
- Whyalla
- Berri

The Board is looking forward to expanding the range of

training being provided in 1995/96 with specific attention being paid to addressing the needs of those in regional/isolated areas and disadvantaged groups.



SOUTH AUSTRALIAN CONSTRUCTION INDUSTRY TRAINING BOARD
STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 1995

	<i>HOUSING SECTOR 1995 \$</i>	<i>COMMERCIAL SECTOR 1995 \$</i>	<i>CIVIL SECTOR 1995 \$</i>	<i>OTHER 1995 \$</i>	<i>TOTAL 1995 \$</i>	<i>TOTAL 1994 \$</i>
INCOME						
Industry Levies	2,302,990	1,074,041	369,011	-	3,746,042	2,805,411
Grants	-	-	-	366,621	366,621	177,459
Interest on Deposits	100,312	46,872	22,485	-	169,669	35,306
Profit on Sale of Fixed Assets	-	-	-	-	-	3,100
Other Income	2,662	1,244	597	-	4,503	3,656
Total Income	2,405,964	1,122,157	392,093	366,621	4,286,835	3,024,932
EXPENDITURE						
Administration:						
Sector Administration	3,807	5,607	-	-	9,414	-
Salaries and related payments	164,233	76,741	36,813	-	277,787	163,059
Collection Agents Fees	24,206	2,815	842	-	27,863	23,620
Depreciation	8,148	3,807	1,826	-	13,781	8,601
Loss on Sale of Fixed Assets	294	138	66	-	498	-
Other	107,039	50,016	23,993	-	181,048	216,199
Total Administration Expenditure	307,727	139,124	63,540	-	510,391	411,479
Training Expenditure:						
Training	1,147,331	538,184	404,383	-	2,089,898	923,909
Total Training Expenditure	1,147,331	538,184	404,383	-	2,089,898	923,909
Grant Expenditure:						
Salaries and related payments	-	-	-	162,045	162,045	100,000
Depreciation	-	-	-	8,181	8,181	2,369
Other	-	-	-	115,495	115,495	61,231
Total Grant Expenditure	-	-	-	285,721	285,721	163,600
Total Expenditure	1,455,058	677,308	467,923	285,721	2,886,010	1,498,988
Operating Surplus/(Deficit)	950,906	444,849	(75,830)	80,900	1,400,825	1,525,944
Accumulated Surplus/(Deficit) as at 1 July 1994	1,227,288	388,834	(104,037)	73,736	1,585,821	59,877
Accumulated Surplus/(Deficit) as at 30 June 1995	2,178,194	833,683	(179,867)	154,636	2,986,646	1,585,821

Notes to and forming part of the accounts are included on pages 13 to 18.

SOUTH AUSTRALIAN CONSTRUCTION INDUSTRY TRAINING BOARD
BALANCE SHEET AS AT 30 JUNE 1995

	Notes	1995 \$	1994 \$
CURRENT ASSETS			
Cash	3	3,549,475	1,511,432
Receivables	4	356,473	351,480
Investments	5	-	499,610
TOTAL CURRENT ASSETS		<u>3,905,948</u>	<u>2,362,522</u>
NON CURRENT ASSETS			
Plant, Equipment and Vehicles	6	105,868	31,598
TOTAL NON CURRENT ASSETS		<u>105,868</u>	<u>31,598</u>
TOTAL ASSETS		<u>4,011,816</u>	<u>2,394,120</u>
CURRENT LIABILITIES			
Creditors and Accrued Expenses		68,645	92,145
Provisions	7	13,374	21,028
Other	8	943,151	695,126
TOTAL CURRENT LIABILITIES		<u>1,025,170</u>	<u>808,299</u>
TOTAL LIABILITIES		<u>1,025,170</u>	<u>808,299</u>
NET ASSETS		<u>2,986,646</u>	<u>1,585,821</u>
ACCUMULATED FUNDS			
Balance of Funds Brought Forward at beginning of Financial Year		1,585,821	59,877
Current Year Surplus		<u>1,400,825</u>	<u>1,525,944</u>
TOTAL ACCUMULATED FUNDS		<u>2,986,646</u>	<u>1,585,821</u>



Notes to and forming part of the accounts are included on pages 13 to 18.

SOUTH AUSTRALIAN CONSTRUCTION INDUSTRY TRAINING BOARD

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 1995

	Notes	1995 \$	1994 \$
CASHFLOWS FROM OPERATING ACTIVITIES			
Inflows:			
Industry Training Levy		3,775,774	2,475,706
Interest Received		169,669	35,306
Grants		-	7,000
Other		4,503	3,656
Outflows:			
Payments to Employees and Suppliers		(2,238,089)	(973,679)
Grants		(25,149)	-
Net Cash Provided By Operating Activities	14.2	<u>1,686,708</u>	<u>1,547,989</u>
CASHFLOWS FROM INVESTING ACTIVITIES			
Inflows:			
Proceeds from sale of Plant and Equipment		-	3,100
Proceeds from sale of Commercial Bills		499,610	400,000
Outflows:			
Payment for Plant and Equipment		(72,988)	(16,229)
Payment for Commercial Bills		-	(499,610)
Net Cash Provided By Investing Activities		<u>426,622</u>	<u>(112,739)</u>
CASHFLOWS FROM GOVERNMENT			
Inflows:			
Receipts from Grants:			
• Recurrent		86,330	86,000
• Other		113,813	391,829
Outflows:			
• Return of Overpaid Grant		-	(70,000)
• Transfer of Grants to Civil Construction Skills and Technology Centre Inc.		-	(600,000)
• Other		(275,430)	-
Net Cash Provided By Government		<u>(75,287)</u>	<u>(192,171)</u>
Net increase in cash held		2,038,043	1,243,079
Cash at the beginning of the financial year		<u>1,511,432</u>	<u>268,353</u>
CASH AT THE END OF THE FINANCIAL YEAR	14.1	<u>3,549,475</u>	<u>1,511,432</u>

Notes to and forming part of the accounts are included on pages 13 to 18.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FINANCIAL YEAR ENDED 30 JUNE 1995**

1. GENERAL

1.1 Commencement

The Construction Industry Training Board commenced operations under the South Australian Construction Industry Training Fund Act 1993 on 1 September 1993. The comparative 1994 figures therefore represent 10 months of operations of the Board.

1.2 Objectives

The Board's responsibilities include:

- management and administration of the Construction Industry Training Fund and the South Australian Construction Industry Training Advisory Body;
- to act as a principal adviser to the Minister for Employment, Training and Further Education and the Minister of Employment, Education and Training for the Commonwealth on training related matters for the Building and Construction Industry in South Australia;
- preparation of training plans;
- co-ordination of training and review and evaluation of employment related training programmes.

The Fund collects revenue by way of a levy of 0.25% of the value of building and construction work. This revenue is invested back into the industry in the form of expenditure on training.

2 SUMMARY OF ACCOUNTING POLICIES

2.1 General System of Accounting Underlying the Financial Statements

The General Purpose Financial Statements have been prepared in accordance with Applicable Accounting Standards, the Treasurer's Instructions for Authorities promulgated under the provisions of the Public Finance and Audit Act, 1987, and the requirements of the Construction Industry Training Fund Act, 1993. The following is a summary of the significant accounting policies adopted by the Board in the preparation of the Accounts.

2.2 The accrual accounting basis has been used for the preparation of the Financial Statements whereby items are brought to account as they are earned or incurred and included in the statements for the accounting periods to which they relate.

2.3 The Accounts are prepared on the basis of historical cost and are not adjusted to take account of either changing money values or current valuations of non-current assets unless otherwise disclosed in these notes.

2.4 Depreciation

Depreciation of assets is calculated on a straight line basis so as to write off the cost of the asset over its expected useful life.

2.5 Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount.

2.6 Income Tax

The Fund is exempt from Income Tax in terms of Section 23(d) of the Income Tax Assessment Act 1936 as amended.

2.7 Employee Entitlements

Provision has been made in the financial statements, where stated, for the Board's liability for employee entitlements arising from services rendered by employees to balance date. Related on-costs consequential to the employment of employees (viz workers' compensation insurance premiums, and superannuation contributions) have been included in the determination of the liability.

Annual Leave

Provision has been made for the unused component of annual leave at balance date. The provision has been calculated at nominal amounts based on current salary rates.

Sick Leave

No provision has been made in respect of sick leave. As sick leave taken by employees is considered to be taken from the current year's accrual, no liability is recognized.

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FINANCIAL YEAR ENDED 30 JUNE 1995**

Long Service Leave

The Board has been unable to apply the present value method of liability calculation in respect of long service leave, as required by AAS30 - Accounting for Employee Entitlements. The Board, and consequently employee history covers less than two years and as such employee retention history information is insufficient for a present value liability calculation. The Board in the interim has adopted the policy of providing for long service leave in respect of employees with 7 or more years of service. At the reporting date no employee had 7 years service.

Superannuation

The Board has contributed 4% of employees' base salary into a prescribed superannuation fund. This amount represents the Board's full liability for superannuation for the year.

2.8 Creditors and Accrued Expenses

The Board has brought to account accrued expenses at year end.

2.9 Grant Monies

Grant monies for specific projects are recognized as revenue in the Financial Year when monies are received, in accordance with Department of Treasury and Finance Accounting Policy Statement No. 11. However, where specific conditions relating to the grant are not met and the amount is required to be repaid, a liability is recognised in the balance sheet as a result of a present obligation arising to the grantor.

2.10 Leases

The Board leases premises for its administrative and operating activities. The lease is classified as an operating lease and lease payments are included as expenditure in equal instalments over the accounting periods covered by the lease term.

2.11 Accrued Levy Income

Accrued Levy Income includes all amounts held by collection agents at balance date.

Levies due and payable under the Act at balance date but not received by the Board subsequent to 31 July 1995 cannot be determined and subsequently have not been included in Accrued Levy Income since they were unable to be measured reliably.

2.12 Training Expenditure Approved but not yet paid

Training expenses are recognised as an expense in the Financial Year that the training expenditure was approved. The balance of unexpended training approvals is included on the balance sheet as Training Expenditure Approved but not yet paid.

2.13 Sector Allocation of Income and Expenditure

The following income and expenditure items have been allocated between sectors based on the level of Industry Levy Income and Training Expenditures:

- Interest Income
- Other Income
- Salaries and related payments
- Depreciation
- Loss on Sale of Fixed Assets
- Other Administration Costs

Industry Levy Income, Collection Agent Fees, Sector Administration Fees and Training Expenditures have been allocated between sectors based on actual amounts received/incurred for that sector.

2.14 Changes to Accounting Policies

During the period ended 30 June 1994, grant monies were recognised as revenue over the period of each project. From 30 June 1995, grant monies are recognised as revenue in the Financial Year when monies are received, in accordance with Department of Treasury and Finance Accounting Policy Statement No. 11, issued 6 March 1995.

NOTES TO AND FORMING PART OF THE ACCOUNTS FINANCIAL YEAR ENDED 30 JUNE 1995

3 CASH

The cash of the Board comprises:

	1995	1994
	\$	\$
Petty Cash	300	300
Cash at Bank	22,140	156,465
Cash Management at Call Accounts and Bank Deposits	3,527,035	1,354,667
TOTAL CASH	3,549,475	1,511,432

4 CURRENT RECEIVABLES

Accrued Levy Income includes industry levies receivable from collection agents at balance date.

	1995	1994
	\$	\$
Accrued Levy Income	320,160	328,412
Trade Debtors	1,588	-
Sundry Debtors	34,725	23,068
TOTAL CURRENT RECEIVABLES	356,473	351,480

5 CURRENT INVESTMENTS

The Investments of the Board at balance date comprise:

	1995	1994
	\$	\$
Commonwealth Bank Commercial Bills	-	499,610
TOTAL CURRENT INVESTMENTS	-	499,610

6 PLANT, EQUIPMENT AND VEHICLES

	1995	1994
	\$	\$
Furniture and Fittings at cost	35,151	
less accumulated depreciation	(16,374)	18,777
		15,707
Computer Equipment at cost	82,973	
less accumulated depreciation	(21,932)	61,041
		15,118
Office Machines at cost	9,562	
less accumulated depreciation	(4,075)	5,487
		773
Motor vehicles at cost	21,090	
less accumulated depreciation	(527)	20,563
		-
TOTAL PLANT, EQUIPMENT AND VEHICLES	105,868	31,598

7 CURRENT PROVISIONS

	1995	1994
	\$	\$
Provision for employee entitlements:		
Annual Leave	13,374	21,028
TOTAL CURRENT PROVISIONS	13,374	21,028

SOUTH AUSTRALIAN CONSTRUCTION INDUSTRY TRAINING BOARD
NOTES TO AND FORMING PART OF THE ACCOUNTS
FINANCIAL YEAR ENDED 30 JUNE 1995

8 OTHER CURRENT LIABILITIES

	1995	1994
	\$	\$
GRANTS AND SUBSIDIES RECEIVED		
Government Grants	-	134,329
Non Government Grants	84,576	116,725
TOTAL	<u>84,576</u>	<u>251,054</u>
TRAINING EXPENDITURE		
APPROVED BUT NOT YET PAID:		
Housing Sector	507,190	328,743
Commercial Sector	278,610	115,329
Civil Sector	72,775	-
TOTAL	<u>858,575</u>	<u>444,072</u>
TOTAL OTHER CURRENT LIABILITIES	<u>943,151</u>	<u>695,126</u>

9 EXPENDITURE COMMITMENTS

	1995	1994
	\$	\$
LEASE COMMITMENTS:		
Operating Leases:		
- not later than 1 year	32,100	41,240
- later than 1 year but not later than 2 years	33,480	43,240
- later than 2 years but not later than 5 years	39,060	-
AGGREGATE LEASE EXPENDITURE CONTRACTED FOR AT BALANCE DATE BUT NOT PROVIDED FOR	<u>104,640</u>	<u>84,480</u>

10 AUDITOR'S REMUNERATION

Amounts receivable by the auditors for auditing the accounts

	1995	1994
	\$	\$
Auditing the Accounts	20,100	24,800
TOTAL	<u>20,100</u>	<u>24,800</u>

11 REMUNERATION OF DIRECTORS

Total income received or due and receivable during the financial year by Board members was \$8,463.
The number of Board members whose income from the entity falls within the following bands is:

BAND	NO. OF BOARD MEMBERS
\$0 - \$9,999	1

Prescribed benefits given by the Board to a prescribed superannuation fund or otherwise in connection with the retirement of Board Members was \$339.

SOUTH AUSTRALIAN CONSTRUCTION INDUSTRY TRAINING BOARD
NOTES TO AND FORMING PART OF THE ACCOUNTS
FINANCIAL YEAR ENDED 30 JUNE 1995

12 CONSULTANT FEES

	1995	1994
Total expenditure on consultancies	51,045	98,481
The consultancies used by the Board and expenditure have been grouped under the following ranges:-		
Below \$5000	Number of consultancies	5
\$500 to \$15000	Deloitte Touche Tohmatsu	- Compliance Strategy - Payroll Review - Disaster Recovery Plan
	Items Management	- Quality Management
	Crown Solicitor	- Legal Advice
	Norman Waterhouse	- Legal Advice

13 RELATED PARTY DISCLOSURES

13.1 DIRECTORS OF THE CONSTRUCTION INDUSTRY TRAINING BOARD

The Directors of the Construction Industry Training Board during the financial year were:

Richard McKay	Presiding Member
Tony Bush	
Ben Carslake	
Roy Ellin	
Andrew Fletcher	(resignation effective from 31/8/94)
Susan Frazer	
Don Kennett	
John Marshall	(resignation effective from 31/8/94)
Martin O'Malley	
David Truran	
Dennis Williams	(resignation effective from 31/8/94)
David Duncan	(appointed 1/9/94)
Rob Stewart	(appointed 1/9/94)
Michael Billing	(appointed 1/9/94)
Mark Cody	Commonwealth Representative

13.2 TRANSACTIONS WITH DIRECTOR-RELATED ENTITIES

The following related party transactions occurred during the financial year:

- Two of the Board Members are also Board Members of the Construction Industry Long Service Leave Board from whom the Construction Industry Training Board leases premises for its operating activities under normal commercial terms and conditions.
- During the year training funds were allocated to associated entities of the Directors of the Construction Industry Training Board. Such transactions were within terms and conditions not more favourable than those available on similar transactions to other parties.

NOTES TO AND FORMING PART OF THE ACCOUNTS FINANCIAL YEAR ENDED 30 JUNE 1995

14. NOTES TO AND FORMING PART OF THE STATEMENT OF CASH FLOWS FINANCIAL YEAR ENDED 30 JUNE 1995

14.1 RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, the Board considers cash to include cash on hand and in banks and investments readily convertible to cash within two (2) working days.

Cash at the end of the reporting period, as shown in the Statement of Cash Flows, is reconciled to the related items in the Balance Sheet as follows:

	1995	1994
	\$	\$
Cash at Bank	22,440	156,765
Cash Management at Call Accounts and Bank Deposits	3,527,035	1,354,667
	<u>3,549,475</u>	<u>1,511,432</u>

14.2 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING SURPLUS

	1995	1994
	\$	\$
Operating Surplus	1,400,825	1,525,944
Net Government Income	(59,042)	(118,410)
Depreciation	21,962	10,970
Increase/(Decrease) in Annual Leave Provision	(7,654)	8,676
Bookshop stock write off	-	5,099
(Increase)/Decrease in Debtors & Accrued Levy Income	(4,993)	(329,703)
Increase/(Decrease) in Creditors & Accruals	(24,203)	55,748
(Gain)/Loss on Sale of Fixed Assets	498	(2,358)
Increase/(Decrease) Grant Monies		
Received in Advance	(55,188)	(52,049)
Increase/(Decrease) Training Provisions	414,503	444,072
Net Cash provided by Operating Activities	<u>1,686,708</u>	<u>1,547,989</u>

FINANCIAL STATEMENTS

SOUTH AUSTRALIAN CONSTRUCTION INDUSTRY TRAINING BOARD

CERTIFICATE BY THE PRESIDING MEMBER, ACTING CHIEF EXECUTIVE OFFICER AND FINANCE MANAGER

To the best of our knowledge and belief, the attached Income and Expenditure Statement, Balance Sheet and Statement of Cash Flows and Notes to and Forming Part of the Financial Statements give a true and fair view of the results of operations and financial position of the South Australian Construction Industry Training Board for the Financial Year ended 30 June 1995.




PRESIDING MEMBER -
R J McKAY

FINANCE MANAGER
(PRINCIPAL ACCOUNTING OFFICER) -
J STEPHENS



ACTING CHIEF EXECUTIVE
OFFICER -
J STEPHENS

**CONSTRUCTION INDUSTRY TRAINING BOARD
INDUSTRY TRAINING ADVISORY BODY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 1995**

	1995 \$	1995 \$
INCOME		
ANTA Grant	86,330	
Interest	0	
Industry Contribution	31	
TOTAL INCOME		86,361
EXPENDITURE		
Asset Acquisitions	984	
Audit Fee	503	
Consulting Fees	2,256	
Insurance	349	
Photocopying	1,279	
Postage	1,235	
Printing & Stationery	2,677	
Promotional Expenses	817	
Rent of Premises	3,901	
Research Material	437	
Salaries - Secretarial Support	10,067	
Salaries - TDE, Research & Projects	49,959	
Salary On-Costs	2,991	
Seminar Expenses	286	
Staff Training & Development	100	
Subscriptions	25	
Sundry	163	
Telephone	4,125	
Travel & Accommodation	3,354	
Travel-Mileage	853	
TOTAL EXPENDITURE		86,361
NET SURPLUS/(DEFICIT)		0

NOTE: *The Income and Expenditure Statement should be read in conjunction with the following notes.*

CERTIFICATION

I certify that the above financial statement is True and Correct in accordance with the financial records maintained by the Construction Industry Training Board



**JAN STEPHENS
ACTING CHIEF EXECUTIVE OFFICER**

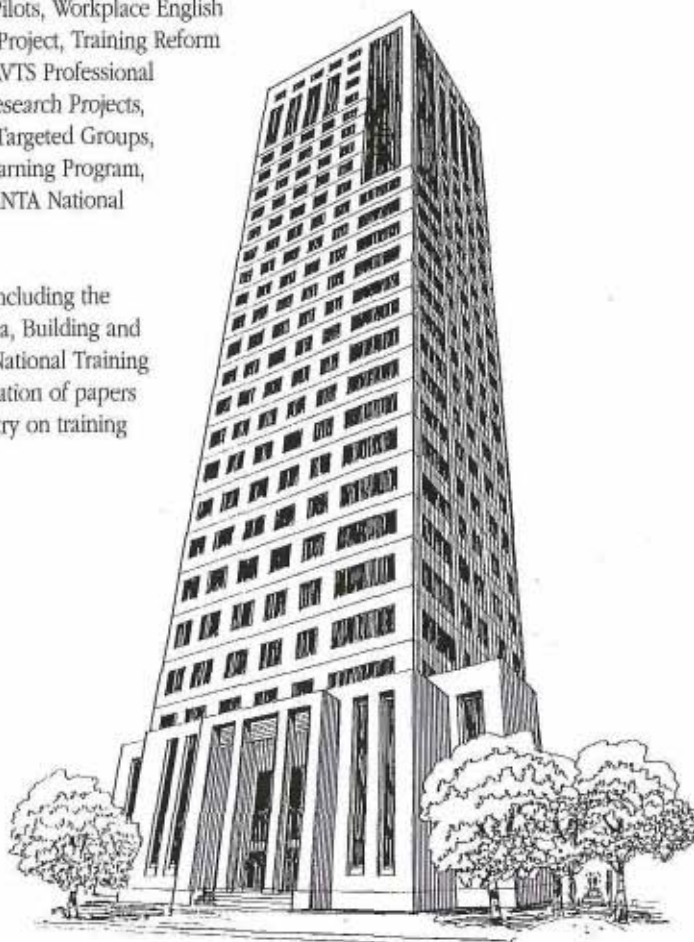
**CONSTRUCTION INDUSTRY TRAINING BOARD
INDUSTRY TRAINING ADVISORY BODY
NOTES TO AND FORMING PART OF THE INCOME AND
EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 1995**

- 1 The Income and Expenditure Statement is a Special Purpose Financial Statement for the use of ANTA personnel only.
- 2 The Income and Expenditure Statement has been accounted for in the Audited General Purpose Financial Statements of the Construction Industry Training Board.
- 3 The Income and Expenditure Statement has been based on estimated expenditure against specific Industry Training Advisory Body (ITAB) functions. Where possible, expenditure has been specifically identified. When an overlap of expenditure has occurred between the Construction Industry Training Board and Industry Training Advisory Body functions, the expenditure has been allocated accordingly.
- 4 The accrual accounting basis has been used for the preparation of the Financial Statements whereby items are brought to account as they are earned or incurred and included in the statements for the accounting periods to which they relate. As at 30 June 1995, Creditors and Accruals amounted to \$2509.
- 5 During the year expenditure has been incurred on performing the following functions including:-

- * TDE time on responses to government initiatives, preparation of strategic and operational plans, assessment of applications for accreditation of training & registration as training providers, research and development, policy advice and innovative training strategies (South Australian Training & Development Group, National Building Construction Industry Training Council, TAFE Colleges etc.)

- * Staff time on special research projects and submissions for funding such as AVTS Pilots, Workplace English Language and Literacy Project, Training Reform Information Program, AVTS Professional Development, ANTA Research Projects, Strategic Initiatives for Targeted Groups, Recognition of Prior Learning Program, Workplace Assessors, ANTA National Projects etc.

- * Promotion of training including the Training Reform Agenda, Building and Construction Industry National Training Framework and preparation of papers for circulation to Industry on training initiatives.





AUDITOR-GENERAL'S DEPARTMENT INDEPENDENT AUDIT REPORT

TO THE PRESIDING OFFICER
CONSTRUCTION INDUSTRY TRAINING BOARD

SCOPE

As required by Section 31 of the Public Finance and Audit Act, 1987 and Section 16(2) of the Construction Industry Training Fund Act, 1993 I have audited the financial statements of the Construction Industry Training Board for the year ended 30 June 1995. The financial statements comprise:-

- A Statement of Income and Expenditure;
- A Balance Sheet;
- A Statement of Cash Flows;
- Notes to and forming part of the Financial Statements;
- Certificate by the Presiding Officer, Acting Chief Executive Officer and the Finance Manager.

The members of the Construction Industry Training Board are responsible for the preparation and presentation of the financial statements and the information contained therein. An independent audit of the financial statements has been conducted in order to express an opinion on them to the Presiding Officer.

The audit has been conducted in accordance with the requirements of the Public Finance and Audit Act, 1987, and the Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free from material misstatement and reflect the financial transactions for the year ended 30 June 1995 and also reflect the financial position as at 30 June 1995.

Audit procedures included examination on a test basis of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. Those procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act, 1987, appropriate Australian Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) so as to present a view of the Construction Industry Training Board which is consistent with the results of its operations and cash flows and which is also consistent with my understanding of its financial position.

The audit opinion expressed in this report has been formed on the above basis.

QUALIFICATION

The Board utilizes agents to collect and remit to the Board levy receipts. The Board had requested all agents provide a certificate by their respective external auditors that all levy monies had been appropriately accounted for by the agent. This has met initial resistance from Agents, and the Board is continuing to negotiate a mutually accepted solution. In addition the Board during 1994-95 instituted a program of compliance review of construction activity with emphasis on identifying projects where levies due had not been paid. Although both actions represent positive advancements directed at ensuring levy compliance and collection, as at the date of this report I am unable to form an opinion on the completeness of revenue reported in the Financial Statement.

QUALIFIED AUDIT OPINION

In my opinion, subject to the effects of the matter detailed in the qualification paragraph, the financial statements present fairly the financial position as at 30 June 1995 and the results of the operations and cash flows of the Construction Industry Training Board for the year ended 30 June 1995 in accordance with Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act, 1987, appropriate Australian Accounting Standards and other mandatory professional reporting requirements.

K.I. MacPHERSON
K.I. MacPHERSON
AUDITOR-GENERAL
13 September 1995

9th Floor, State Administration Centre, 200 Victoria Square, Adelaide 5000
Telephone (08) 226 9640 Facsimile (08) 226 9689 DX 56208 Victoria Square



AUDITOR-GENERAL'S DEPARTMENT INDEPENDENT AUDIT REPORT

TO THE AUSTRALIAN NATIONAL TRAINING AUTHORITY

SCOPE

As required by Clause 8 of the Annual Performance Agreement dated 25 August 1993 as amended I have audited the Construction Industry Training Board - Industry Training Advisory Body special purpose financial report for the year ended 30 June 1995. The financial report comprises:-

- A Statement of Income and Expenditure;
- Notes to and forming part of the Statement of Income and Expenditure; and
- Certificate by the Acting Chief Executive Officer.

The members of the Construction Industry Training Board are responsible for the preparation and presentation of the special purpose financial report and the information contained therein. An independent audit of the special purpose financial report has been conducted in order to express an opinion on them to the Australian National Training Authority.

I have conducted an independent audit of the Construction Industry Training Board - Industry Training Advisory Body in order to express an opinion on the Australian National Training Authority on the compliance with the Annual Performance Agreement dated 25 August 1993 as amended.

The audit has been conducted in accordance with the requirements of the Annual Performance Agreement, and the appropriate Australian Auditing Standards to provide reasonable assurance as to whether the special purpose financial report is free from material misstatement and that there has been compliance with the provisions of the Annual Performance Agreement.

Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the special purpose financial report, and the evaluation of accounting policies and significant accounting estimates. Those procedures have been undertaken to form an opinion as to whether, in all material respects, there has been compliance with the provisions of the Annual Performance Agreement and that the special purpose financial report is presented fairly in accordance with the Annual Performance Agreement and appropriate Australian Accounting Standards so as to present a view of the Construction Industry Training Board - Industry Training Advisory Board which is consistent with the results of its operations, and which is also consistent with my understanding of its financial position.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In my opinion the special purpose financial report of the Construction Industry Training Board - Industry Training Advisory Board presents fairly the financial position as at 30 June 1995 and the results of its operations for the year ended 30 June 1995 in accordance with the Annual Performance Agreement and appropriate Australian Accounting Standards, there has been compliance with the provisions of the Annual Performance Agreement.

K.J. BOCKMANN
K.J. BOCKMANN
DEPUTY AUDITOR-GENERAL
11 September 1995

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