

1996/97 Annual Report



“ My apprenticeship has meant that I have received a wide variety of training... with several host employers who cover different aspects of my trade. ”

Anna Wilson
Apprentice Carpenter & Joiner
MASTER BUILDERS GROUP
TRAINING SCHEME



**Construction Industry
Training Board**

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Presiding Member's Report

In accordance with Section 17 of the SA Construction Industry Training Fund (CITF) Act, I have much pleasure in presenting the 1996/97 Annual Report for the Construction Industry Training Board (CITB).

The CITB has now consolidated its position as a credible organisation responsible for advising on and facilitating skills development and enhancement within the SA building and construction industry.

During the period covered by this report, the CITB has consulted widely with all of its stakeholders. These stakeholders include the various employer and employee groups, those companies and enterprises operating in the industry, federal and state government ministers, the training providers and recipients of the training itself, and of course those whom stand to gain the most from the activities of the CITB, members of the general public of South Australia.

The achievements that the CITB has made against its 1996/97 Annual Training Plan (ATP) have been very substantial. These will provide a firm foundation

on which the CITB can, through our 1997/98 ATP, further enhance the position of the SA building and construction industry. The 1997/98 ATP will see the CITB committing a further \$6.1 Million to developing the skills needed to permit the SA building and construction industry to be well positioned for the 21st Century.

Following the successful completion of a wide-ranging internal review of its operations, I was pleased with the announcement by Minister Kotz of Coopers and Lybrand Consultant's appointment as the independent person required under the SA Construction Industry Training Fund (CITF) Act to conduct a review of that Act and of the CITB itself. I am confident the consultants will recognise the clear benefits the industry gains from the CITB's activities and at the same time I will welcome any recommendations that could lead us to the enhancement of the Board's function.

The Board of the CITB is committed to a culture of continuous improvement and this will be reflected in the CITB's future activities. The Board is developing a

series of acceptable key performance indicators which will permit it to more readily manage the CITB and monitor the impact that the training facilitated through the CITB is having on the industry.

Finally, it would be remiss of me if I were not to thank all those who have contributed to the growing success of the CITB. Those whom I must personally thank include my fellow board members, those persons who serve on the various committees formed to support the CITB, the staff of the CITB, and finally, all of those operating in the SA building and construction industry.



Richard J. McKay
Presiding Member



Richard McKay
PRESIDING MEMBER

Chief Executive Officer's Report



Doug Strain
CHIEF EXECUTIVE OFFICER

1996/97 has been a good year for the Construction Industry Training Board (CITB). The year has seen a maturing of the CITB's operations, both as a levy collecting authority and as a facilitator of training for the SA building and construction industry. The year has also witnessed a growth in the outcomes being achieved by the CITB in the crucial role we play in supporting the economic development of South Australia.

During the year the CITB supported a record amount of training for those employed in the SA building and construction industry. The Board has also approved the operation of a number of funding policies and procedures which will serve to maximise the outcomes possible through the CITB.

The appointment by Minister Kotz of Coopers and Lybrand Consultants as the independent person required by the SA CITB Act to review the operations of that Act and the CITB itself, will provide the CITB with a great opportunity to redress some of its and the

industry's concerns regarding the Act and its Regulations, and will serve to validate the contribution the CITB has made to the competitiveness of the industry. I am confident that the results of the review will serve to further develop our role in 'Building Skills for SA's Future'.

The CITB continues to evolve its operations and during 1996/97 the CITB undertook a number of innovative activities aimed at better identifying the skill and training needs of the SA building and construction industry. The CITB also produced a number of products which were developed to facilitate skills development.

The CITB has also played a crucial role in supporting the training of new entrants into the industry and has operated such to ensure that employers within the industry in SA were able to access persons who possessed the skills necessary to enable their employment.

The CITB operates such to underpin our state government endeavours to

rebuild the SA economy. Clearly the building and construction industry has a crucial part to play in this task and the CITB looks forward to playing its part in this vital task.

Finally, I would like to thank all those who have supported the CITB throughout 1996/97 and I would especially like to thank the staff of the CITB for their total commitment and quiet efficiency.

A stylized handwritten signature of Douglas D. Strain.

Douglas D. Strain
Chief Executive Officer

Functions

The CITB was established on 1 September 1993 under the provisions of the SA Construction Industry Training Fund (CITF) Act and its functions include:

to act as a principal adviser to the relevant SA and Federal Ministers on any matter relating to training in the building and construction industry

to administer the Construction Industry Training Fund (CITF)

to prepare training plans in accordance with the Act

to promote increased productivity, career opportunities, personal satisfaction and OH&S within the building and construction industry through training

to review and evaluate employment related training programs to ensure that they meet the training and skill requirements of the building and construction industry

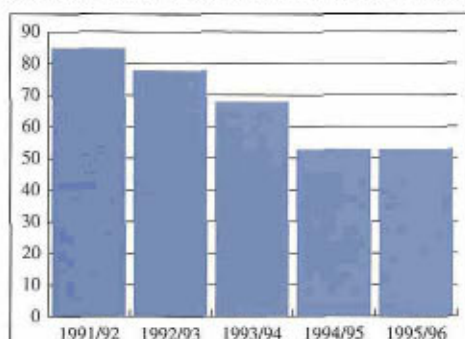
to ensure a more equitable distribution of efforts amongst employers in relation to employment related training in the building and construction industry

to initiate, carry out, support or promote research into the training and personnel needs of the building and construction industry.

Key Industry Performance Indicators

Consumer complaints whilst reducing are still too high

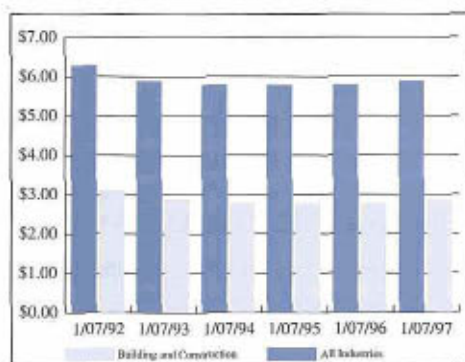
NUMBER OF COMPLAINTS PER \$100M BUILDING WORK COMPLETED



SOURCE:
Office of
Consumer and
Business Affairs
and Australian
Bureau of
Statistics

Potential exists to further reduce WorkCover Levy Rates paid by the industry

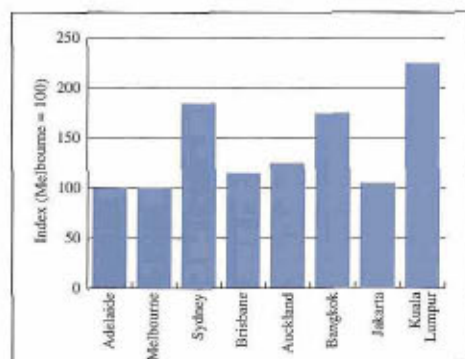
SA WORKCOVER LEVIES PER \$100 REMUNERATION



SOURCE:
WorkCover

Adelaide remains a low-cost city in which to undertake building work

CONSTRUCTION COSTS* IN REGIONAL CITIES BENCHMARKED AGAINST MELBOURNE



SOURCE:
Economic
Development
Authority

*Construction costs based on the average cost to construct a 4,000 sq.m 7-8m (single storey) high factory, excluding land costs, including all permits and fees.



Mick O'Connor
DIRECTOR
Built Environments
PRESIDENT, SA
Australian Institute of Building

“The advent of the CITF has produced comprehensive training in our industry, that wouldn't necessarily have been available...”

Mission



Graham Peacock
CHAIR
Housing Sector Standing
Sub-Committee
DIRECTOR
McCracken Homes Pty Ltd

*“The CITF is essential
in the development of
entry level training,
bringing our youth into
the building industry.”*

The CITB provides leadership and responds to the training needs of employers, trainees and employees in all sectors of the SA Building & Construction Industry. It does this to improve individual career paths and industry competitiveness by researching, funding and monitoring training through consulting with the key stakeholders and providing industry-driven advice.

Conflict of Interest

During the term of this report, all board members received advice on the matter of Conflict of Interest and no member was found to be operating at any time in a Conflict of Interest.

ATP Approval

On 21 February 1997 the Board of the CITB, in accordance with SubSection 32(9) of the SA CITF Act 1993, sought an amendment to the 1996/97 ATP and this was approved by the SA Minister for Employment, Training and Further Education on 31 April 1997.

The CITB 1997/98 Annual Training Plan was prepared in accordance with Section 32 of the SA CITF Act 1993 and approval of that plan was given, by the SA Minister for Employment, Training and Further Education on 8 May 1997.

The launch of the 1997/98 Annual Training Plan occurred on the site of the SA Netball Stadium at Mile End on 18 June 1997.

Delegations

Authorised Officers

The Chief Executive Officer, Mr Douglas Strain, the Finance Manager, Ms Jan Stephens, Compliance Manager, Mr Les Webb and Compliance Officer, Mr Brenton Sullivan have retained their appointment as Authorised Officers in accordance with Section 33 of the SA Construction Industry Training Fund (CITF) Act 1993.

No other delegations were approved by the Board of the CITB during the period of this report.

The Board



Pictured:- Standing (L to R) Mr Robert Stewart, Mr Bentley Carslake, Mr Roy Ellin, Mr Dennis Squire, Mr David Truran.

Seated (L to R) Dr Billie Slater, Mr Richard McKay (Presiding Member), The Hon. Mrs Dorothy Kotz (Minister for Employment, Training and Further Education), Mr Douglas Strain (Chief Executive Officer), Ms Susan Frazer.

(Absent: Mr Martin O'Malley, Mr Anthony Bush and Mr Christopher Michelmore)

During the period the following were members of the Board of the CITB.

Director	Organisation	Representation
• Richard McKay		Presiding Member
• David Duncan (until 25 July 1996)	• Housing Industry Association	
• Roy Ellin	• Building Industry Sub-Contractors Association of SA	Five persons appointed to represent the interests of employers in the building and construction industry
• Christopher Michelmore	• Connell Wagner	
• Dennis Squire (appointed 19 September 1996)	• Skelmorlie Management Services	
• Robert Stewart	• Master Builders Association of SA	
• David Truran	• Truran Earthmovers	
• Anthony Bush	• Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (CEPU) - Plumbing Division	Three persons appointed to represent the interest of employees in the building and construction industry
• Bentley Carslake	• Construction, Forestry, Mining and Energy Union (CFMEU)	
• Martin O'Malley	• Australian Building and Construction Workers Federation	
• Susan Frazer (deputy Ms Carol Ward)	• SA Department for Employment, Training and Further Education	Two persons appointed to represent the Vocational Education and Training Area
• Dr Billie Slater	• Marlestone Campus, Douglas Mawson Institute of TAFE	

Upskilling and Cross-skilling Program

OBJECTIVES

- To ensure currency of skills of existing employees
- To ensure an adequate supply of skilled employees for the industry
- To improve the competency, productivity, efficiency and competitiveness of existing employees
- To support facilities that deliver training that would otherwise not be available

STRATEGIES

- Fund training providers to deliver training in accordance with the priorities identified by the sectors
- Fund individuals and enterprises to undertake short courses and programs
- Provide operational support for skill centre establishment in particular sectors of the industry

OUTCOMES

- Increased training uptake by industry in accordance with the targets identified in Sector Plans

Training Activity

During the period CITB funding supported, in full or part, the attendance of over 7,000 persons at over 150 training programs, courses, seminars or activities. These activities included a wide range of industry subjects which were conducted by over 20 training providers. In addition, as at 30 June 1997, the CITB had current contracts of training to provide a further 6,385 training positions.

Commercial Sector Training Program

In implementing the 1996/97 Commercial Sector Training Program, the CITB provided approximately \$750,000 in funding to support the provision of training to 2,634 persons on approximately 225 courses. In addition, as at 30 June 1997, the CITB had

current contracts of training to provide a further 2,758 training positions within the commercial sector. A summary of the topics covered and training outcomes achieved is attached as Appendix 1.

Housing Sector Training Program

In implementing the 1996/97 Housing Sector Training Program, the CITB provided approximately \$420,000 in funding to support the provision of training to 2,616 persons on approximately 85 courses. In addition, as at 30 June 1997, the CITB had current contracts of training to provide a further 2,883 training positions. A summary of the topics covered and training outcomes achieved is attached as Appendix 2.

Civil Sector Training Program

In implementing the 1996/97 Civil Sector

Training Program, the CITB provided over \$480,000 in funding to support the provision of training to 1,753 persons on approximately 178 courses. In addition, as at 30 June 1997, the CITB had current contracts of training to provide a further 744 training positions. A summary of the topics covered and training outcomes achieved is attached as Appendix 3.

Industry Skill Centres

The CITB has maintained its support of building and construction industry skills centres. This support saw the consolidation of the Civil Construction Skills and Technology Centre (CCSTC) as Australia's leading training provider of plant operator training and the further development of the Netley Skills Centre as a key



Minister for Transport, The Hon. Diana Laidlaw inspecting the progress of the Southern Expressway. Many of the workers employed on this key SA development had received training facilitated through the CITB.

provider to persons operating in the SA building and construction industry.

Training Rebate

During 1996/97, the use of the Training Rebate Scheme remained an effective way of encouraging training within the various sectors of the industry. Under this program, individuals and enterprises operating in the industry are able to receive a reimbursement from the CITB of the direct cost of attending any training course the outcome of which is consistent with those required by the CITB 1996/97 Annual Training Plan. The program provides a maximum reimbursement of up to \$100.00 per day with funding provided for a maximum of five days.

Under this scheme during 1996/97 the CITB provided over \$250,000 to persons or organisations operating in the SA

building and construction industry for the attendance by 1,750 persons at various training activities which accorded with the 1996/97 Annual Training Plan.

OH&S and First Aid

The Board maintained its commitment to reflect the industry's concerns for the health, safety and welfare of those employed in the industry. This commitment was reflected in the board supporting the attendance by 474 persons on courses in or related to OH&S.

Quality

In recognition of the need for SA's building and construction industry to embrace the principles and practices of Quality, the CITB supported an extensive range of appropriate training programs with 137 persons attending the programs provided. In addition many of the other programs

receiving CITB funding assistance incorporated topics on Quality.

Management

Again the CITB has recognised a non-technical training need which was threatening the future of the SA building and construction industry. It was identified that many enterprises lacked sufficient training in management and as a result the CITB supported the provision of management training to 275 persons.

Information Technology

The CITB provided training for almost 400 persons in various aspects of information technology. In addition the CITB provided funding assistance to permit the establishing of a 20 station IT training facility at the Netley Skills Centre.



Harry F. C. Wauer

CHAIR
Civil Sector Standing
Sub-Committee
VICE PRESIDENT, SA
Civil Contractors Federation
DIRECTOR
Salisbury Earthmovers

“Since its timely inception in 1993, the Fund has boosted the development and implementation of Civil Sector training for an industry undergoing significant change.”

Entry Level Training Program

OBJECTIVES

- To produce a sustainable workforce of skilled employees by supporting employment and training opportunities for new entrants into the industry

STRATEGIES

- Provide support to organisations in accordance with Board policies
- Expand entry level training arrangements
- Provide information about possible career pathways in the industry

OUTCOMES

- An increase in the number of trainees under contract of training in accordance with sector targets as identified in the sector plans
- Career information package developed and distributed

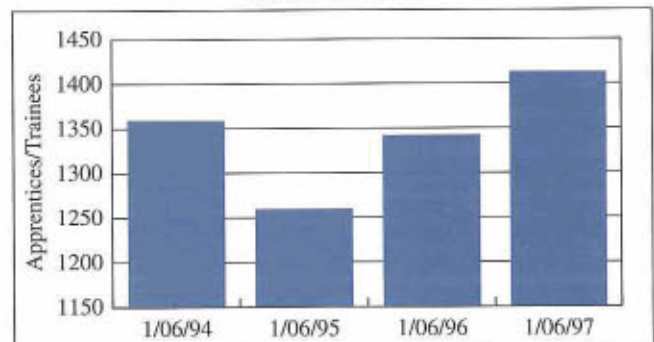
Entry-Level Training

Throughout the period the CITB continued its commitment to entry level training through the provision of over \$2 Million to support over 470 apprentices and trainees attending the various group training schemes which exist to serve the needs of the SA building and construction industry. The following schemes received funding assistance in 1996/97;

- a. Group Training Employment (formerly the South East Regional Group Apprenticeship Scheme (SERGAS)),
- b. Master Builders Group Training Scheme,
- c. Plumbing, Electrical, Electronic and Refrigeration (PEER) Training, and
- d. the Housing Industry Association.

This support has continued to see an increase in the numbers of persons in training in the building and construction trades or occupations, see Figure 1.

NUMBER OF APPRENTICES/TRAINEES
IN TRAINING



SOURCE: National Centre for Vocational Education Research

FIGURE 1

Also, during the year the Board of the CITB agreed to the adoption of a Policy on Entry Level Training which provides a focus on the number of chargeable hours Group Training Companies achieve with the apprentices and trainees they have employed.



Some building and construction apprentices who were employed on the SA Netball Stadium site.

Photograph by Chris Mangun. Courtesy of The Advertiser.

Outcome Against Target

The CITB 1996/97 Annual Training Plan established targets by trade and number against which contracts were let with the various Group Training Companies. Details of the targets set and outcomes achieved are detailed in Table 1.

Trade/Occupation	ATP Target	No. Contracted	No. Achieved
Carpenters	106	139	170
Bricklayers	36	33	19
Roof Tilers	6	6	2
Wall and Floor Tilers	23	8	3
Plumbers	49	76	85
Electricians	95	106	116
Plasterers, solid/fibrous	53	38	16
Painters & Decorators	40	36	28
Refrig. Mechanic/Mechanical Services/Aircon. Installation	11	10	16
BETA Trainees	30	15	18
TOTAL	449	467	473

TABLE 1

Career Information Packages

During the period the CITB funded the production of a Teacher Resource Booklet to complement the CITB video which had been previously produced by the CITB and which is aimed at promoting to young South Australians careers in the Housing Sector of the industry.



Adam McKay
4TH YEAR ELECTRICAL
APPRENTICE
PEER Training

“Over the last four years ... I have gained many skills that will assist me for my future.”

Research and Development Program

OBJECTIVES

- To provide industry and governments with information and advice based on rigorous research
- To identify training and training delivery initiatives suited to the needs of sectors of the industry
- To identify initiatives to extend the uptake of training by special groups in the industry
- To broaden input from industry and special groups into the CITB's planning processes

STRATEGIES

- Develop and implement a coordinated research program across all sectors of the industry that seek to
 - identify skill and training needs
 - identify flexible delivery and other training needs for special groups
- Explore funding options to support training development
- Research and trial a workplace assessment system for the state

OUTCOMES

- Provide the CITB with well researched recommendations on
 - the training needs for different occupational groups within the industry (including the specialist services)
 - training delivery mechanisms for different groups with special needs
- Provide the CITB with a summary of programs and funding sources that can be accessed by the CITB and training providers
- Provide the CITB with a final proposal on the management and administration of a system for workplace assessment in the State
- Provide the CITB with proposals for innovative programs to address skill shortages

Research on Training Needs and Training Delivery Mechanisms

The CITB commissioned or participated in the following projects:

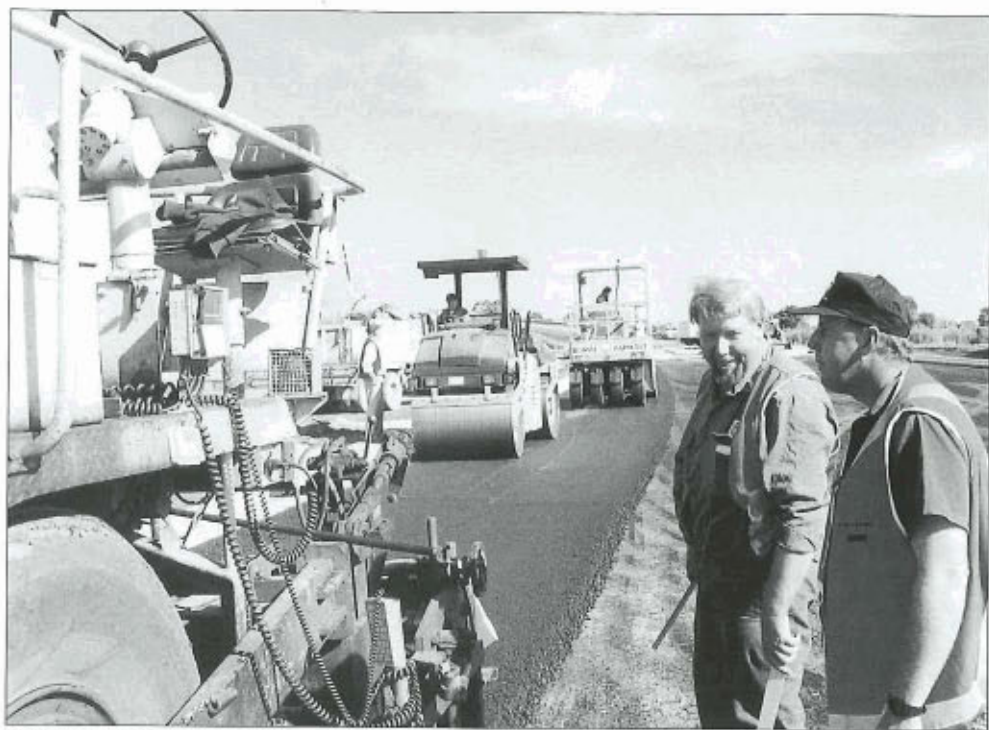
- A training needs research project involving desk research, industry survey and focus groups with various industry groups around the state. Over 6,000 questionnaires were distributed randomly to the industry. The results were analysed and a final report produced. The results were used by various industry

groups in determining their industry training priorities. The research was conducted by CITB staff with input from a steering committee.

- Domestic Trades report conducted for the Housing Sector which examined the trends in builders licences. This report included an analysis of common complaints and call-backs. The information was used by the Housing Sector in formulating its training plan.
- An evaluation of training arrangements for the industry was funded. This research

is being undertaken by the University of South Australia and involves a literature search, in-depth interviews with key stakeholders and workers, supervisors and contractors across all sectors in the industry. The research is expected to be finalised in the fourth quarter of 1997.

- The development of a labour market model for the industry. This project was conducted by the Labour Economics Office of the Department of Employment, Education and Youth Affairs. The information was used in determining



Training supervisor overseeing asphalt laying for the Southern Expressway.

existing and potential skill shortages for the industry.

- Seed funding for the establishment of a consultative group in the South East region of the state to assist the Board in gathering data on skill and training needs in the region.

Summary of Programs and Funding Sources

An analysis of funding sources for training illustrated that the major source of funding is the government. The information about government funding is available through established databases developed by the government.

Workplace Assessment System Pilot

The Pilot Assessment Project was conducted during the year with funding from the Building Industry Redundancy Scheme Trust (BIRST).

The pilot enabled the establishment of a workplace assessment system, including policies and procedures, that are compatible with the national assessment system. The pilot involved the establishment of a Steering Committee, an Assessment Industry Panel, an Appeals Panel, a network of workplace assessors and a recording system for assessors and people they assess.

Innovative Programs

WAFFLE POD VIDEO

The CITB funded the production of a 10 minute training video for the Waffle Pod Footing System. The video was produced with the assistance of Koukourou Engineers who developed the innovative footing system. The video can be used by individual companies or as a training resource in a structured training program.

HERITAGE VIDEO

The CITB, the National Trust of South Australia, and the SA Film

Corporation are the major providers of joint funding to produce a training video in the decorative art restoration field. It documents the techniques used in the discovery and restoration of previously hidden decorative work and is aimed at both people working in the painting and decorating field and property owners themselves who are considering restoration or reproduction work. The video will also be shown overseas to showcase the talent of SA tradespeople in the decorative art restoration field, a field of work that is growing in demand overseas, particularly in Asia.

CITB INTERNET SITE

The CITB established a Web site on the Internet. The site provides information about the CITB and its various funding programs. It is intended that the capabilities of the site will expand to enable greater interaction between the industry and the CITB.



Grant King

CHIEF EXECUTIVE OFFICER
South East Economic
Development Board

“A competitive industry with successful businesses, requires a skilled workforce. The CITB provides an important mechanism for developing that skills base. This year’s support for regional co-ordination of the industry, is an excellent initiative.”

Access and Equity Program

OBJECTIVES

- To increase the uptake of training by those groups that are or have been marginalised from the mainstream VET system
- To ensure the training system is inclusive of all employees and remains relevant and responsive to the needs of industry

STRATEGIES

- Include access and equity requirements in contracts with training providers
- Ensure access and equity issues are addressed in courses submitted for accreditation
- Implement the South Australian component of the National Communication Strategy
- Seek input from special groups to the CITB's planning process
- Facilitate the development of self-paced learning resources for small business management in the industry

OUTCOMES

- A minimum of 10% of training places delivered to people in the regions
- An average of 5% of training places taken up by women
- Access and equity provisions are included in courses submitted for accreditation
- The South Australian component of the National Communication Strategy has been implemented
- Seminars held in regions and with special groups to seek input into the Annual Training Plan
- Self-paced learning resources for the industry produced

Training of Regional Workers

During the year the CITB provided funding to support the training of 655 persons resident outside of metropolitan Adelaide. This represents 9.35% of those who accessed CITB funded training in 1996/97.

Training of Female Workers

During the year the CITB provided funding to support the training of 310

female persons employed within the SA building and construction industry. This represents 4.43% of those who accessed CITB funded training in 1996/97.

Access and equity provisions are included in courses submitted for accreditation

The CITB's advice was sought in the accreditation of the Certificate I in Building Studies and in the reaccreditation of the

Certificate III in Building and Construction. Both of these courses had provision for recognition of prior learning, multiple entry and exit points, and appropriate assessment strategies.

National Communication Strategy

The South Australian component of the National Communication Strategy was implemented, including dissemination of information about the Strategy widely



Berri Bridge deck shown being launched over completed sub structure elements. This complex engineering project was a tribute to South Australian workers.

to industry, training providers, and the CITB's Training Assessment Committee (TAC).

The TAC considered the principles of the Strategy in the assessment of courses and made a recommendation for accreditation of a course on the condition that communication needs were satisfactorily addressed.

The CITB included the need to address the Communication Strategy in the guidelines and in the criteria for assessing applications from providers to deliver CITB funded places.

The need to abide by the Communication Strategy Principles is written into the contracts with training providers

who are successful in winning a CITB contract to deliver training.

Seminars held in regions and with special groups to seek input into the Annual Training Plan

During 1996/97, the CITB commenced formal consultations with all SA Regional Economic Development Boards in an effort to develop links with the industry in these regions and to seek input into the Board's planning processes. During 1996/97 focus groups aimed at identifying skill needs were held in conjunction with and in the regions of the following;

a. Eyre Regional Development Board,

- b. Riverland Development Board,
- c. Barossa Regional Development Authority,
- d. Northern Regional Development Board, and
- e. South East Building and Construction Training Committee.

In addition discussions were held with the SA Chapter of the National Association of Women in Construction (NAWIC).

Self-paced Learning Resources

The CITB is involved in discussions to develop a national training course in business management to meet state and territory builders licensing requirements. Self-paced learning resources will be based on the results of this.



Frank E. Templeton Snr

CHAIR
S.E. Building and Construction
Industry Advisory Board
DIRECTOR
Templeton Constructions Pty Ltd

“The CITB has been an important organisation in the supplying of funds for training within the Building and Construction industry. The South East branch has been able to deliver and co-ordinate training on a local level... We proudly support the concept of the CITB and look forward to its ongoing future.”

Promotion Program

OBJECTIVES

- To increase the awareness of the CITF and of the availability of training amongst stakeholders
- To promote training and skill enhancement as a means of improving personal and business performance

STRATEGIES

- Develop and distribute material to inform the industry of the training available through the fund
- Develop a program to assist enterprises in developing their training plans and accessing the fund
- Identify and promote "best practice" in training in the industry

OUTCOMES

- Increased awareness of the fund
- Increased commitment to training by the industry
- Greater involvement of a broader spectrum of stakeholders in the CITB planning process
- Increased awareness of the training available through the fund
- Increased uptake of training through the fund by people in the industry
- Greater training delivery in regions

Throughout the period under consideration the CITB conducted a promotion campaign designed to increase the awareness of the liability to pay the CITF Levy and of the training which the CITF Levy facilitates. Approximately \$76,000, representing approximately 1.4% of the levy funds collected, was expended on the promotion of the need to pay the CITF Levy and of the availability of the training made possible through the funds collected. The promotion campaign included the production of suitable printed material, the placing of advertisements

in all SA Newspapers, a direct mailing of information to all, both general and restricted, builders registered in SA and more general media promotion activities.

Awareness of the Need to Pay the Levy

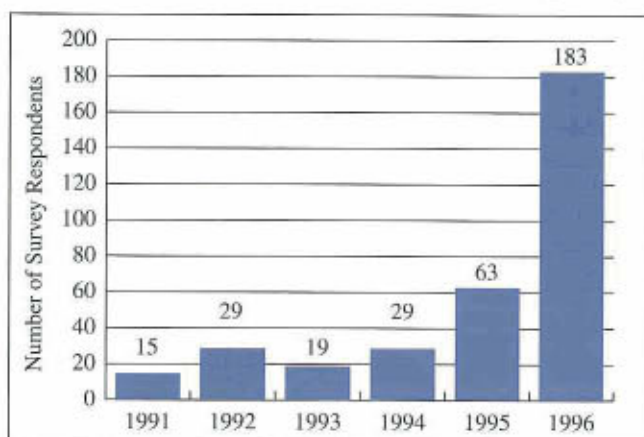
Research undertaken by the CITB indicates that the total cost of building and construction work on which the CITF Levy is being paid is roughly equivalent to the total amount of building and construction work being undertaken in SA as reported in figures produced by the Australian Bureau of Statistics.

Awareness of the Availability of Training

A training needs survey conducted in late 1996 by the CITB showed a continuing increase in training activity since 1992. The survey results indicated an increase of almost 200% in the number of respondents who had received training between 1995 and 1996. This is illustrated in Figure 2 opposite page.



The SA Athletics Stadium at Mile End approaching the final phase of completion.

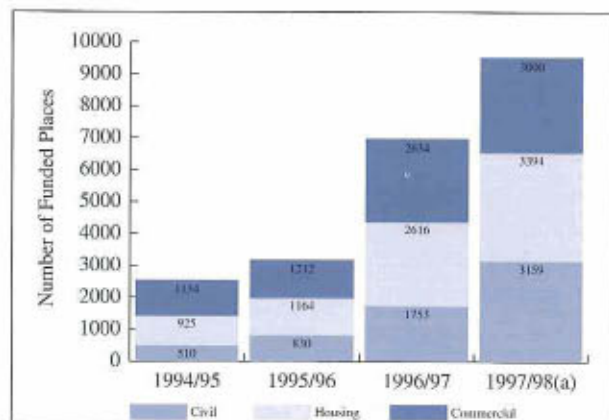


YEAR IN WHICH LAST TRAINING WAS UNDERTAKEN

FIGURE 2

SOURCE:
CITB Training Needs Survey 1996

The figure below shows that the number of training places funded by the CITB has also been steadily increasing since 1994/95. The numbers approved for 1997/98 show an overall 36% increase in funded places between 1996/97 and 1997/98.



NUMBER OF CITB FUNDED TRAINING PLACES

FIGURE 3

SOURCE: CITB
NOTE: (a) approved, not actual



Harry Ennis

CHAIR
Commercial Sector Standing
Sub-Committee
TRAINING MANAGER
Construction Industry
Training Centre

“The CITB is instrumental in the provision of accredited Industry training and in changing the previously poor training culture in our industry.”

Governance, Finance and Administration Program

OBJECTIVES

- To monitor the performance of the fund
- To ensure the Board and the fund are administered in accordance with the Act and other relevant legislation
- To ensure compliance by industry to pay the CITF levy
- To maximise the effective use of the fund

STRATEGIES

- Seek feedback on the quality and quantity of training that is funded by the CITB
- Establish and implement a compliance program
- Establish mechanisms to facilitate initiatives consistent with the National Training Reform Agenda
- Refine internal administrative procedures

OUTCOMES

- Monthly reports are provided to the Board on the progress towards sector targets
- Half yearly reports on the feedback from industry on the effectiveness of various training programs
- By 30 September 1996, a Strategic Training Plan was produced
- By 30 March 1997, an Annual Training Plan for 1997/98 was produced
- Compliance by the industry to the satisfaction of the Board

In 1996/97 the CITB expended less than \$720,000, which represents approximately 12.5% of the total expenditure incurred by the CITB, on the Governance, Finance and Administration of the CITB and the SA CITF Act.

Staffing

At 30 June 1997, the CITB employed 13 full-time staff. These comprised six staff on contracts of employment and seven on a permanent basis.

Information Technology

Throughout the period of this report the CITB operated a 13 Terminal Local Area Network. The CITB has also adopted an IT Strategic Plan and as a part of this the CITB has established a web site on the Internet and an E-mail facility.

Equity

During the period no reports or instances of a breach of EE Principles or of the CITB EE Policy occurred.

Occupational Health, Safety and Welfare (OHS&W)

During the period no workplace injury or illnesses were reported.

Training

During the period the CITB spent \$5,354, which represents 1% of the wages and salaries paid to staff, on formal staff training. Training undertaken by staff included computing, first aid, workplace assessment and OHS&W. In addition the staff participated in two half day in-house training sessions.

Policies and Procedures

During the period the CITB continued to commit substantial effort to the development of relevant policies and procedures for its operations. A CITB Policies and Procedures Manual has been prepared and undergone continuous validation and improvement.

Quality

The CITB remains committed to being a Quality organisation which is widely recognised for its effectiveness and efficiency. During the period the CITB continued the documenting of its procedures such that a basis is established for the gaining of Quality Accreditation.

Financial Result

In 1996/97 the CITB's total income was \$5.482 Million. This represents a decrease of 1.2% on the total income for 1995/96. The CITB Annual Financial Statements for the period 1 July 1996 to 30 June 1997 are attached as Appendix 4.

During the period approx. 21,000 levy income forms were processed, and over 2,100 cheque payments were made.

In addition, during the period the Board of the CITB reviewed its Investment Policy. This has resulted in a \$50,000, or 16%, increase in the amount of income gained from monies invested over that achieved in 1995/96.

Financial Reserve

During the period the Board revised its Reserves Policy. This policy now requires the CITB to maintain a Training Reserve, which is reflected in the Annual Training Plan, and a Strategic Reserve, which is to be 25% of the following year's budgeted net Levy income and for 1996/97 is \$1.3 Million.

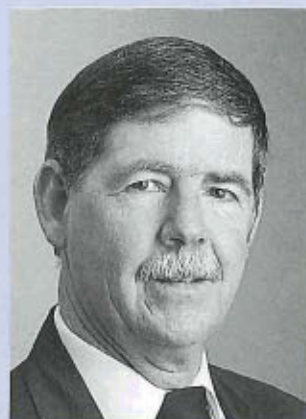
Compliance Strategies

To maximise the level of compliance with payment of the CITF Levy, the CITB developed a Compliance Strategy. This strategy emphasised the need to communicate the need to pay the levy,

to establish mechanisms to promote compliance and finally a means by which to monitor the level of compliance achieved. The implementation of this strategy resulted in a widespread knowledge of and compliance with the need to pay the SA CITF Levy. A summary of levy income collected in 1996/97 is detailed in Figure 4.

Fraud

During the period no evidence was found to indicate any activity of a fraudulent nature was perpetrated by a member of the staff of the CITB nor by any other agency or person seeking funding from the CITB.



Keith Bleechmore

CHAIR
Specialist Services Working Party
EXECUTIVE DIRECTOR
Air Conditioning and Mechanical
Contractors Association;
Fire Contractors Association

“The CITB has allowed for a better “needs” analysis, with the identifying of future training objectives for our industry.”

CITF LEVY INCOME 1996/97

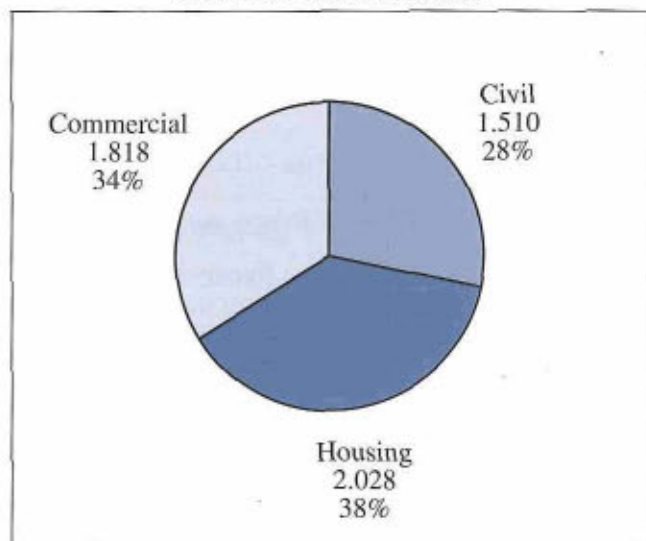


FIGURE 4

Accommodation

During the period the CITB maintained its occupancy of premises at 81 Greenhill Road Wayville.

Sector Standing Sub-Committees and Working Party

In accordance with Section 13 of the SA CITF Act 1993, the CITB operated the following committees to provide advice on funding allocations;

- a. Housing Sector Standing Sub-Committee
- b. Civil Sector Standing Sub-Committee, and
- c. Commercial Sector Standing Sub-Committee.

In addition, the CITB also supported the operation of the Specialist Services Working Party, to advise on the needs of those employed in the specialist services area.

Collection Agents

As at 30 June 1996, the CITB had approved, in accordance with Section 19 of the SA CITF Act 1993, 74 Collection Agents, comprising mainly Local Government Authorities. In the period a total of approximately \$67,000 was paid to Collection Agents. This figure represents approximately 8.5% of the total administrative costs incurred by the CITB.

Government Liaison

The CITB maintained regular contact with all SA Government Agencies either operating in or impacting on the operation of the SA Building and Construction Industry. Particular attention was paid to the monitoring of levy payments for outsourced state government building and construction works and close liaison with the major infrastructure agencies has greatly assisted in this regard.

Also of paramount importance in 1996/97 was membership of the committee responsible for developing the regulations for the South Australian Building Work Contractors' Act and membership of the SA Building Surveyors' and Allied Professional Accreditation Board.

In addition, during 1996/97 CITB staff visited all Adelaide local councils and most non-metropolitan local councils as part of the Memorandum of Understanding between the CITB and the LGA.

Fines and Penalties

During the period the Board of the CITB imposed four fines totalling \$1,721.00 in accordance with Section 25 of the SA CITF Act. In addition the CITB initiated prosecution action against two companies which had failed to comply with their liability to pay the CITF levy.

Environmental Issues

The CITB maintains a smoke free workplace and has a strong commitment to the environment. During the period of this report the CITB undertook no activity which was damaging to the natural environment.

Ombudsman Investigation

During 1996/97 the SA Ombudsman initiated one investigation into a decision made by the Board of the CITB. The matter investigated related to a training provider being refused access to CITB funding.

On 12 November 1996, the SA Ombudsman advised the Board that "I am satisfied that the Board has fully assessed all of the particulars". The SA Ombudsman then advised that he believed no further investigation was therefore necessary. The SA Ombudsman did however subsequently request further information from the CITB on the matter and the CITB provided the detail requested. On 22 April 1997 the SA Ombudsman further communicated with the CITB and advised that "I consider that this matter has now been reasonably resolved".

Reserve Program

OBJECTIVES

- To enable the Board to address unforeseen training and other needs that may arise during the training year
- To provide flexibility in the annual training plan

STRATEGIES

- Accumulate a reserve, not more than 5% of the collections, to which sectors have access for unforeseen training requirements

OUTCOMES

- Greater flexibility and improved responsiveness of the fund to the needs of industry.

In 1996/97 a total of approximately \$400,000 was allocated to support the provision of training or other related initiatives which addressed skill needs in the SA building and construction industry the need for which had not been forecast in the CITB 1996/97 Annual Training Plan.

Commercial Sector

In 1996/97 a total of approximately \$150,000 was allocated to support the training of 739 persons in the following skill areas related to the Commercial Sector;

- Plan Reading and Interpretation
- Asbestos removal
- Electrical Power Tool Testing
- Passive Fire Protection
- Double Rope Industrial Abseil
- PreQualification Training relating to:
 - Project PreQualification

- OHS Systems
- OHS Essentials
- Quality Assurance Basic
- Quality Assurance Systems

Civil Sector

In 1996/97 a total of approximately \$210,000 was allocated to support the training of 272 persons in the following skill areas related to the Civil Sector;

- Safe operation of loadshifting equipment
- Crane Operation
- Fencing
- Elevated Work Platform
- Trenching and Shoring
- Literacy and Numeracy
- Truck Driver Training
- Civil Landscaping

Housing Sector

In 1996/97 a total of approximately \$42,000 was allocated to support the training of 243 persons in the following skill areas

related to the Housing Sector:

- Basic Welding/Oxy Acetylene
- Electrical Power Tool Testing
- Water Efficiency

Appendices

1. CITB Commercial Sector Training Program - 1996/97
2. CITB Housing Sector Training Program - 1996/97
3. CITB Civil Sector Training Program - 1996/97
4. CITB Financial Statements - 1996/97

CITB Commercial Sector Training Programs - 1996/97

COMMERCIAL SECTOR Program 6 Strategy 6.1	ATP Target Numbers	Actuals Trained as at 30/6/97	Positions Contracted to Train as at 30/6/97	Outcome Achieved Against Target No.
Technical Skill Training				
Steel fixing	50	8	24	-18
Operation Certification Scaffolding				
Basic scaffolding	60	173	17	130
Intermediate scaffolding	20	9	20	9
Advanced scaffolding	10	0	0	-10
Elevated work platform	100	182	49	131
Dogging	30	94	50	114
Rigging	50	63	23	36
Forklift	40	72	84	116
Crane operators	20	19	5	4
Hoist operators				
Materials	40	22	42	24
Personnel	40	6	74	40
Wire rope splicing	10	0	10	0
New building products	40	0	0	-40
ASIC code 4244 Air conditioning	35	0	0	-35
Business management (industry specific)	150	0	116	-34
Industrial relations	75	0	95	20
Basic welding/oxy acetylene	50	16	34	0
AS 3500 Parts 2 & 4	100	0	100	0
Hot water maintenance	60	2	60	2
Understanding mixing valves	25	0	25	0
Solar hot water systems	20	0	20	0
B Class electrical licence for plumbers	40	35	49	44
Polymer roof flashing	20	0	20	0
Workplace assessor training	50	11	39	0
Workplace trainer category 1 & 2	50	1	93	44
Irrigation and landscaping	25	0	0	-25
AS 2124 Conditions of contract	300	234	61	-5
Cross skilling options consistent with the National Industry Training Framework	500	0	0	-500
New Legislation and Standards				
Building Work Contractors Act/PGE				
Act Licensing/Legislation	1000	0	0	-1000
Australian Standards	700	27	327	-346
Performance Based Building Code of Australia	350	1	160	-189
Occupational Health and Safety				
Safety representatives	15	0	20	5
Safety supervisors	50	68	79	97
First aid	150	47	184	81
Manual handling	50	0	15	-35
Confined space	50	64	74	88
Site induction	200	61	158	19
Drug and alcohol	20	15	5	0
Heat stress safety awareness	100	38	69	7
Stress management	20	0	0	-20
Improving Business Practices				
Quality assurance				
Auditor	20	0	20	0
Employer principal contractor	50	0	50	0
Employee	50	0	70	20
Sub-contractor	50	0	70	20
Quality officers	30	0	63	33
Project management	10	76	0	66
Estimating	45	13	57	25
Contract administration				
Law	30	0	0	-30
Cost Control	30	0	0	-30
Variation orders	30	0	50	20
Computing				
CAD	20	39	28	47
Introduction to computing	100	37	94	31
Word processing	70	26	55	11
Spreadsheets	70	87	0	17
Scheduling	30	0	0	-30
Estimating	45	0	0	-45
Training undertaken to address earlier training plans or other programs	0	1088	0	1088
TOTALS (correct as at 30 June 1997)	5395	2634	2758	-3

CITB Housing Sector Training Programs - 1996/97

HOUSING SECTOR Program 6 Strategy 6.1	ATP Target Numbers	Actuals Trained as at 30/6/97	Positions Contracted to Train as at 30/6/97	Outcome Achieved Against Target No.
Site preparation and drainage	50	0	16	-34
Wall/floor tiling	50	0	50	0
Bricklaying	100	0	100	0
Carpentry joinery	100	0	24	-76
Footings/concreting/foundation	50	0	24	-26
Roof tiling	50	0	50	0
Painting/decorating	50	0	45	-5
A/c installation/gas fitting	50	0	0	-50
Roof plumbing	50	32	18	0
External cladding & sealing	50	0	50	0
Wall and ceiling lining, install/flush	50	0	0	-50
Insulation fixing	50	11	39	0
Fencing	50	0	24	-26
Brick paving	50	0	122	72
Solid plastering	50	16	34	0
Contracts & documentation	125	49	109	33
Estimating	125	45	160	80
Scaffolding for domestic use	40	10	86	56
Quality concept (inc. ISO 9000)	150	0	36	-114
Building Code of Australia	125	0	280	155
Works supervision	250	11	61	-178
Office/administration skills	125	0	96	-29
Development Act 1994	75	19	326	270
AS 3500 plumbing and drainage code	150	0	150	0
AS 1288 glass in building-selection & installation	50	0	0	-50
Steel framing for housing	50	11	39	0
HVAC installation	24	0	28	4
Solar hot water systems	40	0	80	40
Polymer flashings	15	0	15	0
Lead based paint removal	30	24	6	0
Airless spray painting techniques	20	10	16	6
Electrical installation test procedures	500	273	274	47
SAA wiring rules (AS 3000)	75	0	75	0
Teledata installation	25	22	0	-3
Conservation of traditional buildings	40	0	0	-40
HVAC design	24	16	0	-8
HVAC heat load computer program	24	0	12	-12
Hot water unit maintenance servicing	60	0	60	0
Timber framing code	125	33	91	-1
Housing code	125	0	60	-65
Domestic fire sprinkler installation	30	0	0	-30
Workplace Assessor Training in				
Carpentry	10	0	10	0
Brickwork	5	0	5	0
Roof tiling	2	0	2	0
Floor and wall tiling	2	0	2	0
Solid plastering	2	0	2	0
Fibrous plastering	2	0	2	0
Concrete work (non trade)	2	0	2	0
Painting and decorating	2	0	2	0
Supervisor training	100	0	125	25
First aid (St. Johns)	100	30	75	5
Trained under training rebates	0	1207	0	1207
Training undertaken to address earlier training plans or other programs	0	797	0	797
TOTALS (correct as at 30 June 1997)	3499	2616	2883	2000

CITB Civil Sector Training Programs - 1996/97

CIVIL SECTOR Program 6 Strategy 6.1	ATP Target Numbers	Actuals Trained as at 30/6/97	Positions Contracted to Train as at 30/6/97	Outcome Achieved Against Target No.
Plant Operator Training				
Asphalt pavement construction	30	0	0	-30
Bituminous seal construction	30	0	0	-30
Truck driving	20	4	17	1
Street cleaning	10	0	0	-10
Elevated platform vehicle	30	10	27	7
General plant operator training	150	225	0	75
Non-plant Operator Training				
Irrigation	25	0	60	35
Trenching and shoring	25	1	25	1
Pipe laying and construction	20	18	22	20
Structural core work (concreting)	15	0	16	1
Civil landscaping	30	0	16	-14
Drilling and blasting	5	0	0	-5
Fencing	5	0	25	20
Laser levelling and surveying	55	8	48	1
Tunnelling	10	0	0	-10
Dam construction principals and practices	20	0	0	-20
Compaction techniques	20	0	0	-20
Environmental awareness	20	39	223	242
Asphalt patching & repair	20	0	0	-20
Workplace trainer and assessor training	50	23	25	-2
Other training consistent with the civil operations stream of the reformed building and construction industry framework	30	0	0	-30
Occupational Health and Safety Training				
Workzone traffic hazard management	400	448	0	48
Safe operation of loadshifting equipment	50	0	59	9
Manual handling	35	26	14	5
Materials handling	20	57	0	37
Confined space training (inc. electrical)	40	83	12	55
Worksite safety management	30	0	37	7
First aid (St. John's)	15	53	0	38
Obligations and responsibilities under the Act & Regulations for management supervisors and employees	40	36	2	-2
OHS induction	50	4	0	-46
OHS and contract compliance	50	0	50	0
Management Training				
Estimating/Tender evaluation	25	7	1	-17
General contract administration	25	0	0	-25
Financial control	25	2	0	-23
Project management	30	43	0	13
Basic computing skills and job costing	30	10	0	-20
Contract compliance	60	0	0	-60
Demolition practices	10	0	0	-10
Plant evaluation and costing	10	0	0	-10
Quality accreditation/management	20	0	0	-20
Strategic business planning	20	0	0	-20
Managing people and performance	10	5	0	-5
Other training consistent with the developing needs of civil construction management	35	0	0	-35
Other				
Language and literacy	40	0	40	0
Establishing and developing work teams	20	15	25	20
Training undertaken to address earlier training plans or other programs	0	636	0	636
TOTALS (correct as at 30 June 1997)	1710	1753	744	787

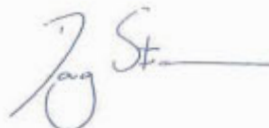
South Australian Construction Industry Training Board Financial Statements

Certificate by the Presiding Member, Chief Executive Officer and Finance Manager

To the best of our knowledge and belief, the attached Operating Statement, Statement of Financial Position, Statement of Cashflows and Notes To and Forming Part Of The Financial Statements, give a true and fair view of the results of operations and the financial position of the South Australian Construction Industry Training Board for the financial year ended 30 June 1997.



RICHARD J. MCKAY
Presiding Member



DOUGLAS D. STRAIN
Chief Executive Officer



JAN E. STEPHENS
Finance Manager
(Principal Accounting Officer)



Auditor-General's Department

INDEPENDENT AUDIT REPORT

TO THE PRESIDING MEMBER CONSTRUCTION INDUSTRY TRAINING BOARD

SCOPE
As required by section 31 of the Public Finance and Audit Act 1987, and subsection 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 1997. The financial statements comprise:

- An Operating Statement;
- A Statement of Financial Position;
- A Statement of Cash Flows;
- Notes to and forming part of the Financial Statements;
- Certificate by the Presiding Member, 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 Member.

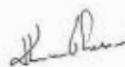
The audit has been conducted in accordance with the requirements of the Public Finance and Audit Act 1987 and Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement.

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 were undertaken to form an opinion 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 which is consistent with my understanding of the Construction Industry Training Board's financial position, the results of its operations and its cash flows.

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

AUDIT OPINION

In my opinion, the financial statements present fairly in accordance with the 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, the financial position of the Construction Industry Training Board as at 30 June 1997, the results of its operations and its cash flows for the year then ended.



K I MacPHERSON
AUDITOR-GENERAL

16 September, 1997

South Australian Construction Industry Training Board

Operating Statement for the year ended 30 June 1997

	Housing Sector 1997 \$'000	Comm. Sector 1997 \$'000	Civil Sector 1997 \$'000	Other 1997 \$'000	TOTAL 1997 \$'000	TOTAL 1996 \$'000
INCOME						
Industry levies	1,875	1,694	1,417	-	4,986	5,039
Interest on deposits	147	119	87	4	357	307
Grants	-	-	-	122	122	197
Fines	-	-	2	-	2	2
Other income	6	5	4	-	15	5
Total Income	2,028	1,818	1,510	126	5,482	5,550
EXPENDITURE						
<i>Administration:-</i>						
Salaries and related payments	168	136	100	-	404	347
Collection Agents fees	54	11	2	-	67	40
Depreciation	14	11	8	-	33	21
Loss on sale of fixed assets	-	-	-	-	-	1
Sector administration	5	9	-	-	14	11
Promotion & occupancy	45	37	27	-	109	95
Other	69	57	42	-	168	198
Total Administration Expenditure	355	261	179	-	795	713
Training & Research Expenditure	2,430	1,796	1,150	-	5,376	3,535
<i>Grant Expenditure:-</i>						
Loss on sale of fixed assets	-	-	-	1	1	-
Salaries and related payments	-	-	-	95	95	85
Depreciation	-	-	-	17	17	14
Promotion & occupancy	-	-	-	6	6	5
Other	-	-	-	65	65	116
Total Grant Expenditure	-	-	-	184	184	220
TOTAL EXPENDITURE	2,785	2,057	1,329	184	6,355	4,468
Operating Surplus/(Deficit)	(757)	(239)	181	(58)	(873)	1,082
Accumulated Surplus at 1 July	1,559	326	9	155	2,049	2,987
Accumulated Surplus at 30 June	802	87	190	97	1,176	4,069
Aggregate of amounts transferred from (to) reserves	336	363	41	(39)	701	(2,020)
Balance Available	1,138	450	231	58	1,877	2,049

Statement of Financial Position as at 30 June 1997

	Notes	1997 \$'000	1996 \$'000
CURRENT ASSETS			
Cash	3	322	1,226
Receivables	4	370	574
Investments	5	4,863	3,993
TOTAL CURRENT ASSETS		5,555	5,793
NON CURRENT ASSETS			
Property, plant and equipment	6	148	123
TOTAL NON CURRENT ASSETS		148	123
TOTAL ASSETS		5,703	5,916
CURRENT LIABILITIES			
Training and research expenditure approved but not yet paid	7	2,440	1,741
Creditors and accrued expenses		47	91
Provisions	8	20	15
TOTAL CURRENT LIABILITIES		2,507	1,847
TOTAL LIABILITIES		2,507	1,847
NET ASSETS		3,196	4,069
ACCUMULATED FUNDS			
Reserves	9	1,319	2,020
Accumulated funds		1,877	2,049
TOTAL ACCUMULATED FUNDS		3,196	4,069

Statement of Cash Flows for the year ended 30 June 1997

	Notes	1997 \$'000 Inflows (Outflows)	1996 \$'000 Inflows (Outflows)
CASHFLOWS FROM OPERATING ACTIVITIES			
Inflows:			
Industry training levy		5,184	4,811
Interest received		44	113
Other		14	41
Outflows:			
Payments to employees and suppliers		(5480)	(3,324)
Grants		(42)	(25)
Net Cash used in Operating Activities	16.2	(280)	1,616
CASHFLOWS FROM INVESTING ACTIVITIES			
Inflows:			
Proceeds from sale of Commercial Bills		26,789	16,847
Proceeds from Sale of Plant & Equipment		16	
Outflows:			
Payment for plant & equipment		(92)	(53)
Payment for Commercial Bills		(27,337)	(20,666)
Net Cash used in Investing Activities		(624)	(3,872)
CASHFLOWS FROM GOVERNMENT			
Inflows:			
Receipts from Grants:			
* Recurrent		126	108
* Other		-	8
Outflows:			
Return of unspent Grant		-	(8)
Grants		(126)	(176)
Net Cash provided by Government		0	(68)
NET DECREASE IN CASH HELD		(904)	(2,324)
CASH AT 1 JULY		1,226	3,550
CASH AT 30 JUNE	16.1	322	1,226

Notes to and Forming Part of the Financial Statements

1. General

1.1 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 percent 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 the 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, superannuation contributions and payroll tax) 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 and includes an allocation of relevant on-costs.

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 recognised.

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 four 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 6 percent 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 and equipment for its administrative and operating activities. The leases are classified as operating leases and lease payments are included as expenditure in equal instalments over the accounting periods covered by the respective lease terms.

2.11 Accrued Levy Income

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

2.12 Training And Research Expenditure Approved But Not Yet Paid

Training and Research expenses are recognised as an expense in the financial year that the expenditure was approved. The balance of unexpended training approvals is included on the balance sheet as Training and Research 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
- Promotion & Occupancy Costs
- Other Administration Costs

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

3. *Cash*

The cash of the Board comprises:

	1997 \$'000	1996 \$'000
Cash on Hand and at Bank	252	1,076
Term Deposits	70	150
Total Cash	322	1,226

4. *Current Receivables*

The receivables due to the Board at balance date comprise:

		1997 \$'000	1996 \$'000
Accrued Levy Income		335	432
Prepayments		5	-
Trade Debtors	18		
less Provision for Doubtful Debts	2	16	118
Sundry Debtors		14	24
Total Current Receivables		370	574

5. *Current Investments*

The investments of the Board at balance date comprise:

	1997 \$'000	1996 \$'000
Commonwealth Bank of Aust. Commercial bills	1,900	3,993
National Australia Bank Commercial Bills	2,963	-
Total Current Investments	4,863	3,993

6. *Property, Plant and Equipment*

Plant and Equipment:

		1997 \$'000	1996 \$'000
Furniture and fittings at cost	49		
Less: Accumulated depreciation	28	21	26
Computer equipment at cost	159		
Less: Accumulated depreciation	75	84	72
Office machines at cost	14		
Less: Accumulated depreciation	8	6	8
Motor vehicles at cost	40		
Less: Accumulated depreciation	3	37	17
Total Plant and Equipment		148	123

7. *Training and Research Expenditure Approved but Not Yet Paid*

	1997 \$'000	1996 \$'000
Housing Sector	1,197	658
Commercial Sector	767	935
Civil Sector	476	148
	2,440	1,741

8. *Current Provisions*

	1997 \$'000	1996 \$'000
Provision for employee entitlements:		
Annual leave	20	15
Total Current Provisions	20	15

9. *Reserves*

In developing its policy in 1996/97 for the maintenance of a strategic reserve, the Board has reviewed the level of such reserves. The Board has decided to reduce the level of its strategic reserve in light of an increased demand and need for training within the industry.

	1997 \$'000	1996 \$'000
Strategic Reserve	1,319	2,020
Total	1,319	2,020

10. *Expenditure Commitments*

Lease Commitments:

	1997 \$'000	1996 \$'000
Operating Leases:		
- Not later than 1 year	57	41
- Later than 1 year but not later than 2 years	59	43
- Later than 2 years but not later than 5 years	10	51
Aggregate lease expenditure contracted for at balance date but not provided for	126	135

11. *Auditor's Remuneration*

	1997 \$'000	1996 \$'000
Amounts receivable by the auditors for auditing the accounts:	20	20
Total	20	20

12. *Remuneration of Directors*

Total income received, or due and receivable during the financial year by Board Members was \$9,000 (\$8,000). The number of Board members whose income from the entity falls within the following bands is:

Band	1997 No. of Members	1996 No. of Members
\$0-\$9,999	1	1

Prescribed benefits given by the Board to a prescribed superannuation fund or otherwise in connection with the retirement of a Board member was \$559.

13. *Remuneration of Executives*

No employee received remuneration in excess of \$100,000 during 1996/97.

14. Consultant Fees

	1997 \$'000	1996 \$'000
Total Expenditure on consultancies	52	60

The consultancies used by the Board and expenditure have been grouped under the following ranges:-

Below \$10,000:

Number of consultancies - 7

\$10,000 to \$25,000:

Deloitte Touche Tohmatsu - Accounting Services

Rann Communications - Marketing Services

15. Related Party Disclosures

15.1 Directors of the Construction Industry Training Board

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

Richard J. McKay	Presiding Member
Susan A. Frazer	
Billie P. Slater	
Carol S. Ward	(Deputy for Susan Frazer)
Anthony Bush	
Bentley E. Carslake	
Martin J. O'Malley	
Roy C. Ellin	
Chris P. Michelmores	
Dennis H. Squire	(appointed 19/9/96)
Robert N. Stewart	
David L. Truran	
David F. Duncan	(resigned effective 25/7/96)

15.2 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 Construction Benefit Services from whom the Construction Industry Training Board leases premises for its operating activities under normal terms & 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 & conditions no more favourable than those available on similar transactions to other parties.
- During the year a training rebate was provided to a Director of the Construction Industry Training Board. This transaction was within terms & conditions which were no more favourable than those with which it is reasonable to expect would have been available for other parties on similar transactions.

16. Notes to the Statement of Cash Flows

16.1 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 Statement of Financial Position as follows:

	1997	1996
	\$'000	\$'000
Cash at Bank	252	1,076
Term Deposits	70	150
	322	1,226

16.2 Reconciliation of Net Cash Used in Operating Activities to Operating Surplus

	1997	1996
	\$'000	\$'000
Operating (Deficit) Surplus	(873)	1,082
Net Government Income	-	68
Depreciation	50	35
Increase in annual leave provision	5	2
Decrease (Increase) in debtors and accrued levy income	199	(229)
Decrease in sundry debtors	1	31
Increase in prepayments	(5)	-
Decrease (Increase) in accrued interest	9	(20)
Interest on commercial bills	(322)	(174)
(Decrease) Increase in creditors and accrued expenses	(44)	22
Loss on sale of fixed assets	1	1
Decrease in grant monies received in advance	-	(85)
Increase in training provisions	699	883
Net Cash Used in Operating Activities	(280)	1,616

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**Construction Industry
Training Board**

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